

LEVEL ONE RESPONSE

- **MARKETS/GEOGRAPHIES**

- Seattle, Sacramento, Portland, Fresno, San Francisco, Los Angeles, San Diego, Phoenix
 - 11.2% Industry Volume

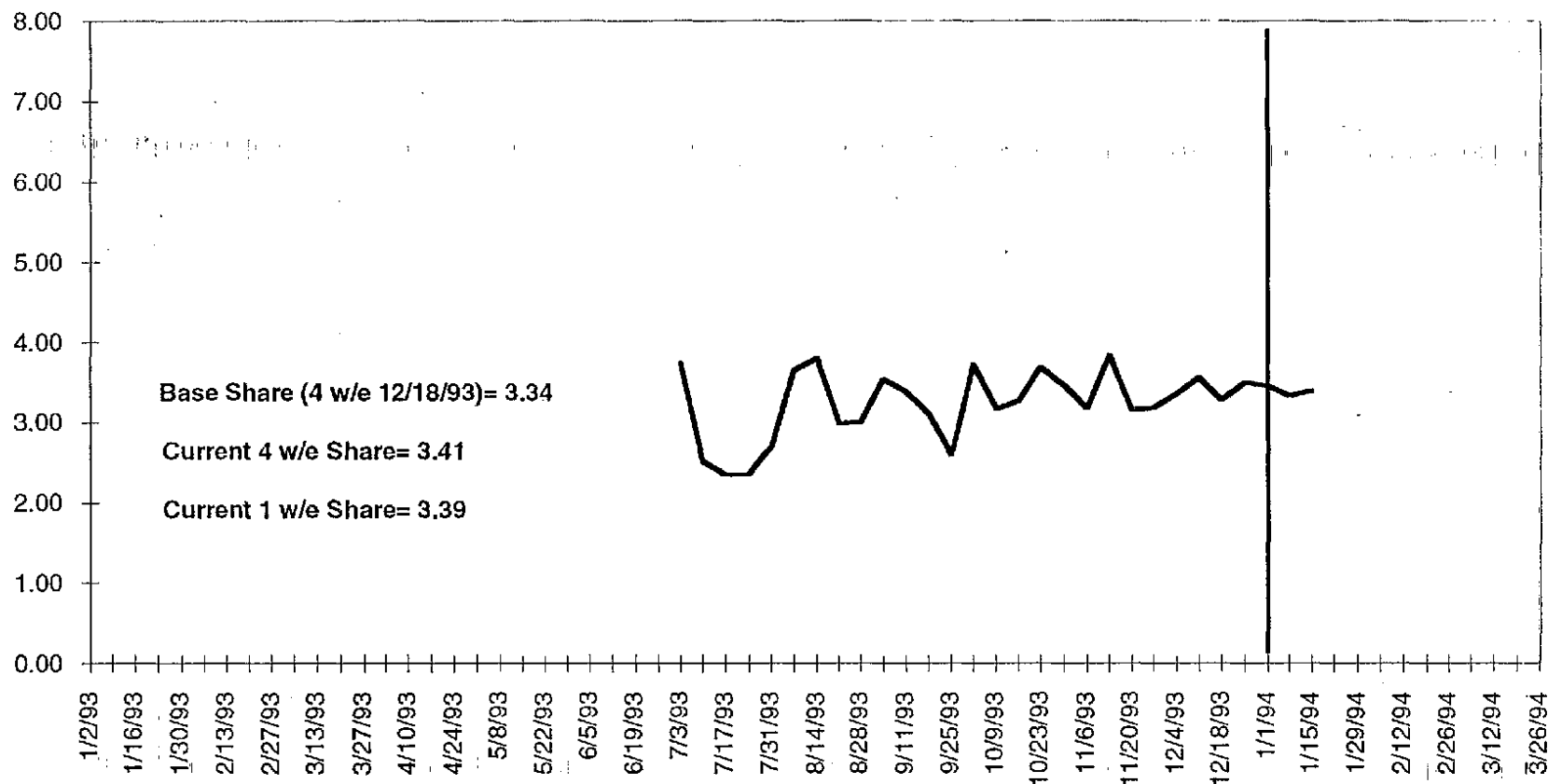
- **PROBLEM: West coast weakness**

- **PROGRAMS**

- Basic B1G1F - 2 Weeks
- Hiatus - 2 Weeks
- Basic B2G1F - 2 Weeks
- Hiatus - 2 Weeks
- Buy down to within 10¢ for 1 month
- Increase FSI coverage/retail promotion
- Double Marlboro flex

BASIC MARKET SHARE LEVEL 1 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL ONE MARKETS: SEATTLE, SACRAMENTO, PORTLAND, FRESNO, SAN FRANCISCO, LOS ANGELES, SAN DIEGO AND
PHOENIX

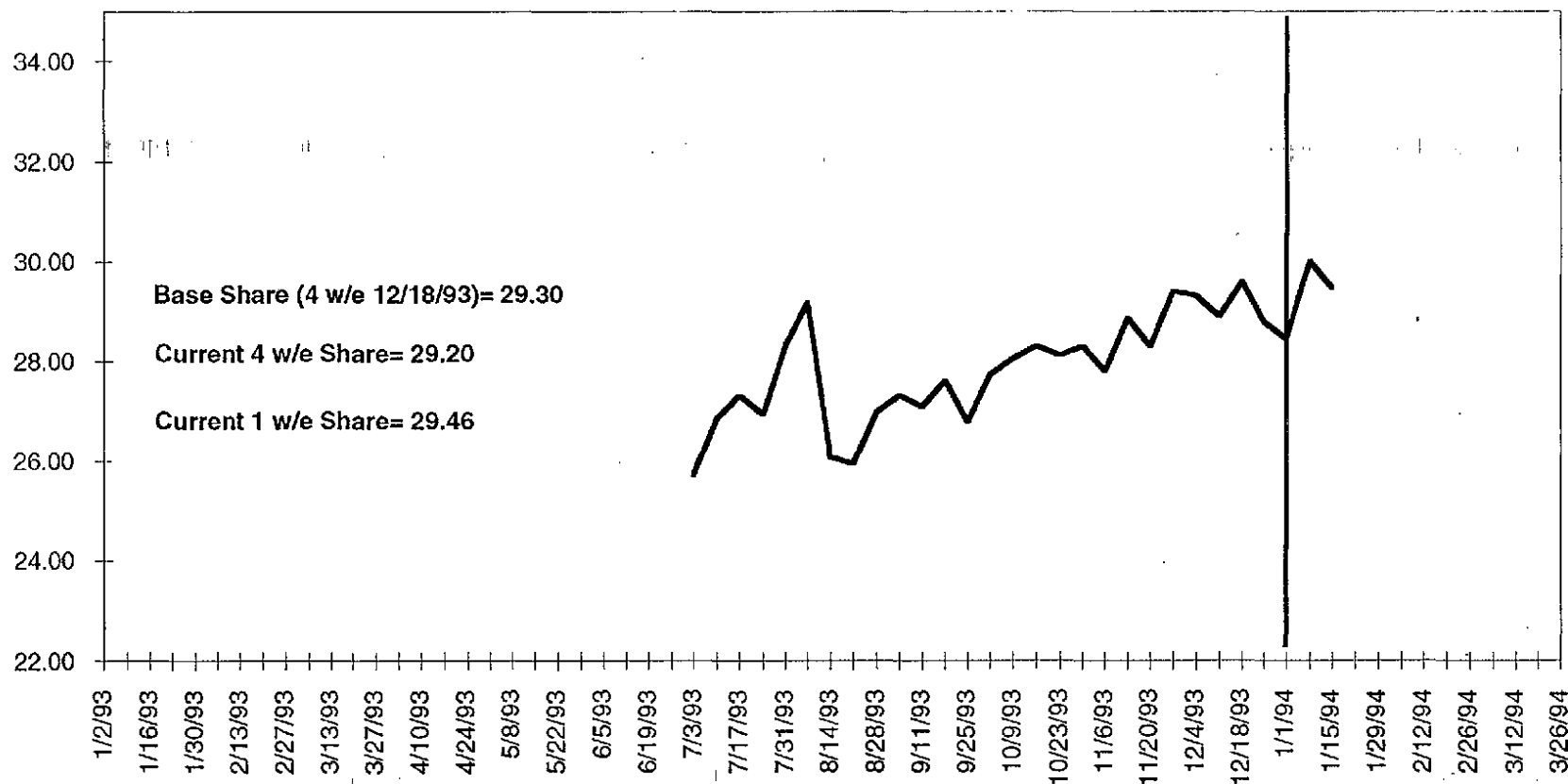
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SOURCE: NIELSEN WEEKLY C-STORE

BASIC LEVEL 1

MARLBORO MARKET SHARE LEVEL 1 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL ONE MARKETS: SEATTLE, SACRAMENTO, PORTLAND, FRESNO, SAN FRANCISCO, LOS ANGELES, SAN DIEGO AND PHOENIX

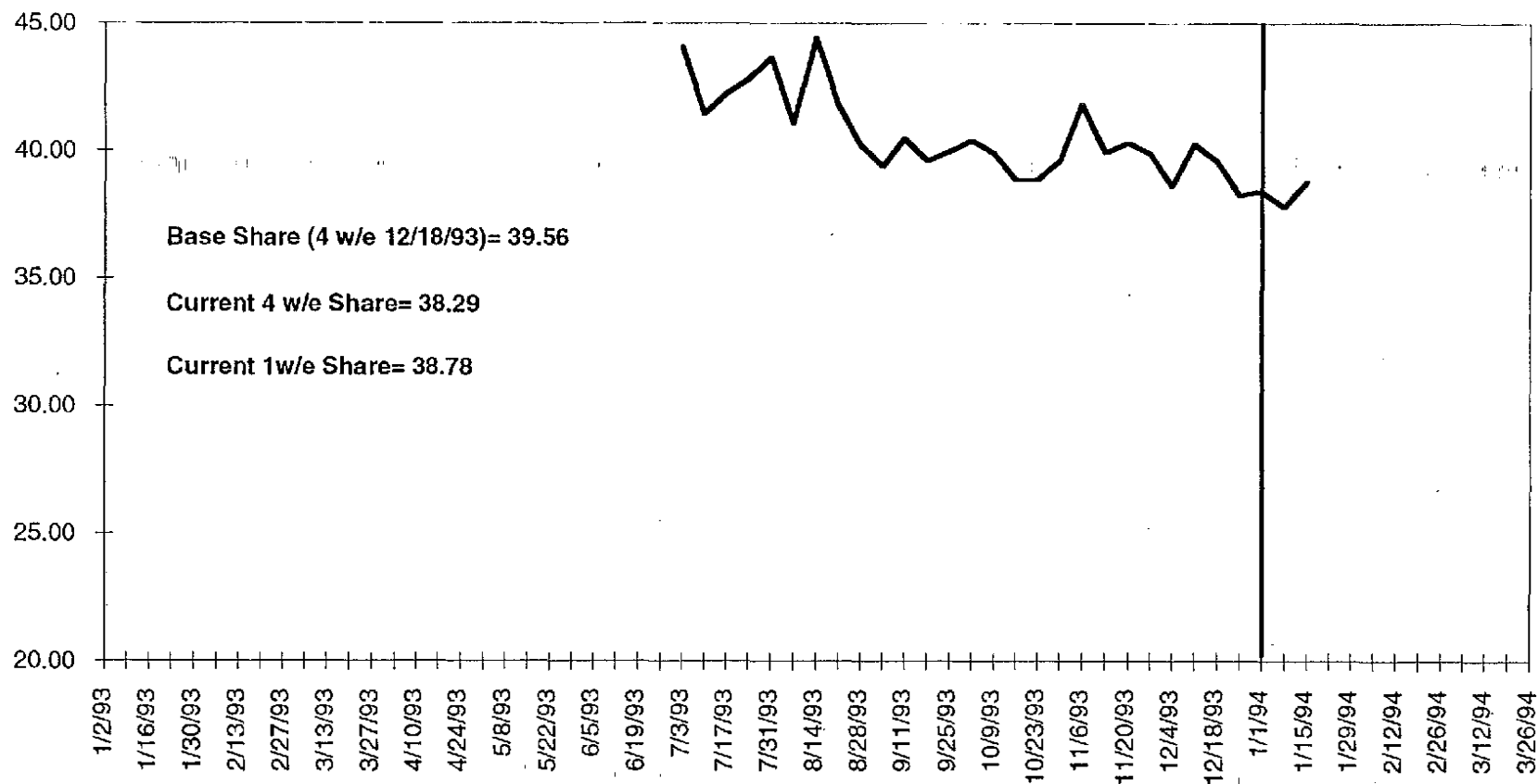
2073379213

SOURCE: NIELSEN WEEKLY C-STORE

MARLBORO LEVEL 1

TOTAL DISCOUNT MARKET SHARE LEVEL 1 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL ONE MARKETS: SEATTLE, SACRAMENTO, PORTLAND, FRESNO, SAN FRANCISCO, LOS ANGELES, SAN DIEGO AND PHOENIX

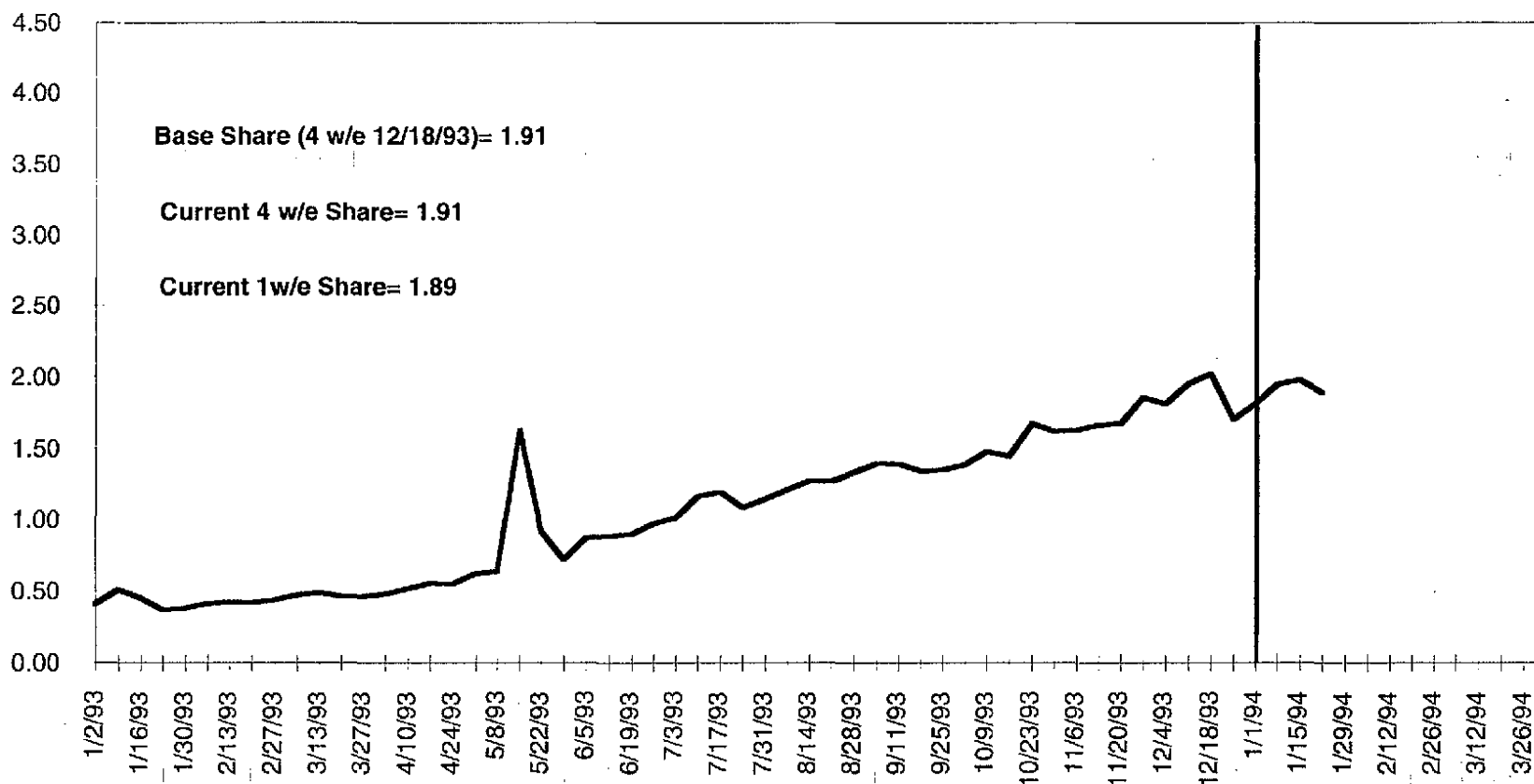
2073379214

SOURCE: NIELSEN WEEKLY C-STORE

DISCOUNT LEVEL 1

BASIC MARKET SHARE--SUPERMARKETS LEVEL 1 MARKETS

1 WK SHARE



LEVEL ONE MARKETS: SEATTLE, PORTLAND, LOS ANGELES, SAN DIEGO, AND PHOENIX
SCANNING DATA NOT AVAILABLE FOR SACRAMENTO, FRESNO, AND SAN FRANCISCO

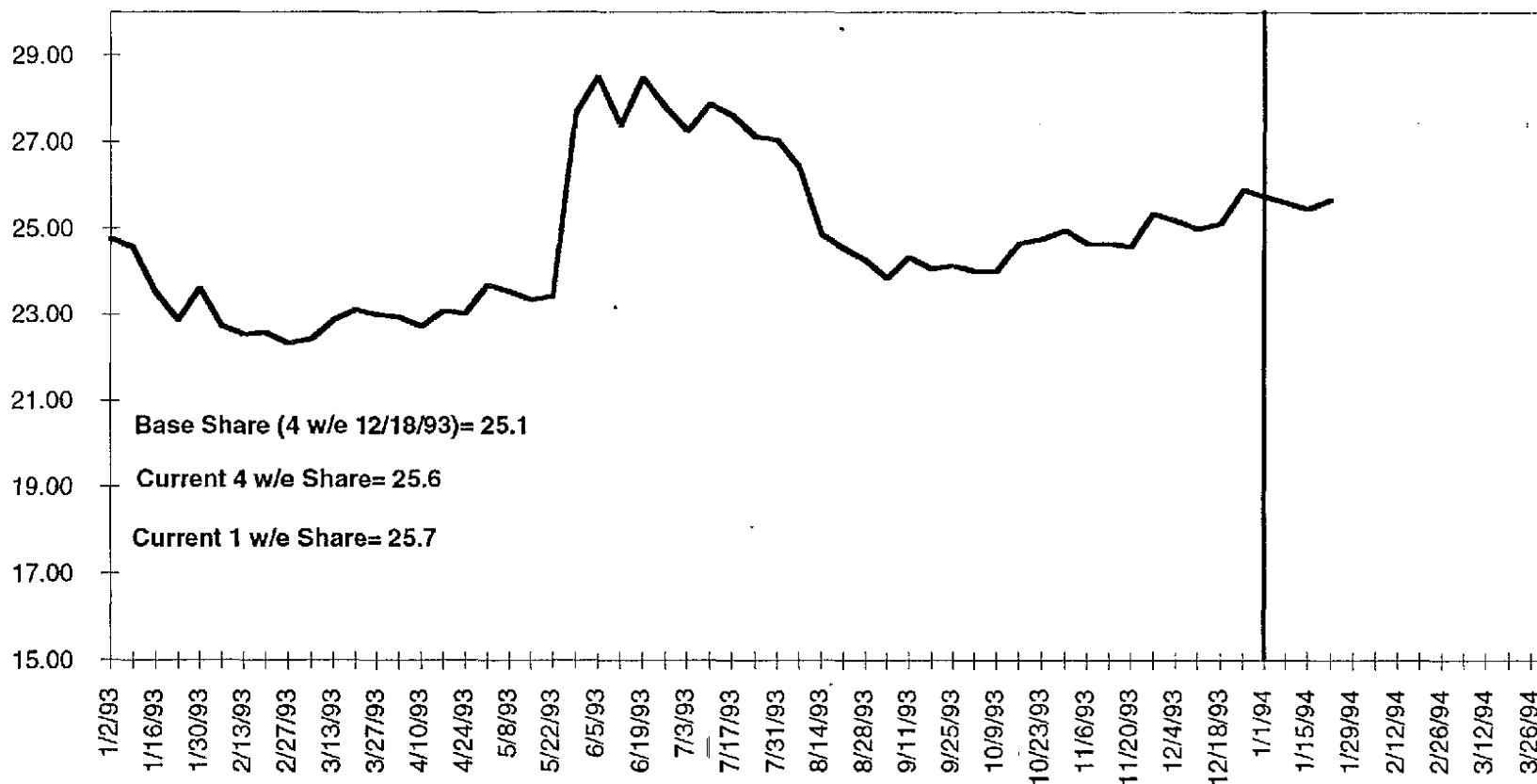
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SOURCE: NIELSEN SCANNING SUPERMARKETS

BASIC LEVEL ONE

MARLBORO MARKET SHARE--SUPERMARKETS LEVEL 1 MARKETS

1 WK SHARE



LEVEL ONE MARKETS: SEATTLE, PORTLAND, LOS ANGELES, SAN DIEGO, AND PHOENIX
SCANNING DATA NOT AVAILABLE FOR SACRAMENTO, FRESNO, AND SAN FRANCISCO

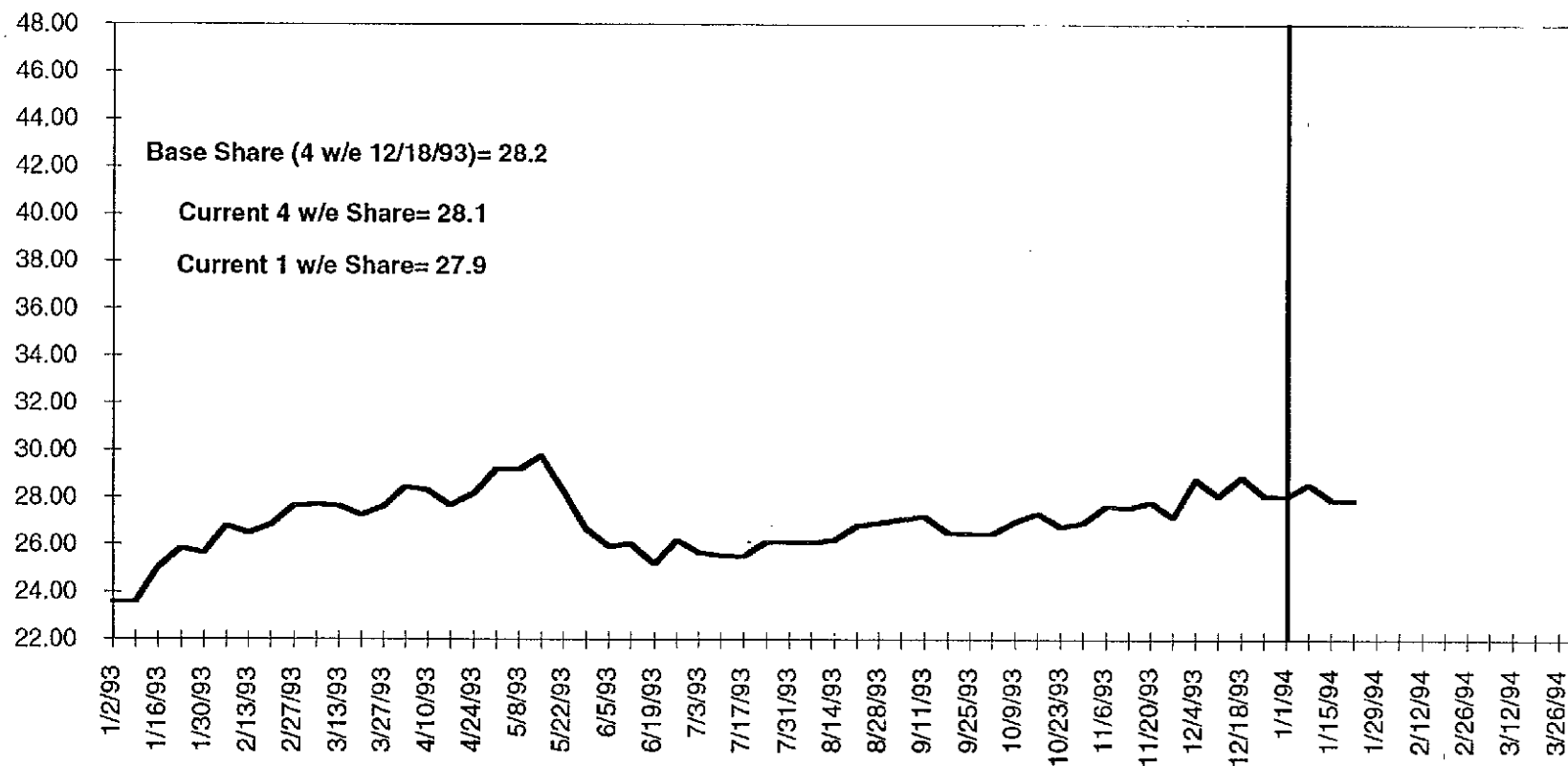
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SOURCE: NIELSEN SCANNING SUPERMARKETS

MARLBORO LEVEL ONE

DISCOUNT CATEGORY MARKET SHARE SUPERMARKETS LEVEL 1 MARKETS

1 WK SHARE



LEVEL ONE MARKETS: SEATTLE, PORTLAND, LOS ANGELES, SAN DIEGO, AND PHOENIX
SCANNING DATA NOT AVAILABLE FOR SACRAMENTO, FRESNO, AND SAN FRANCISCO

2073379217

SOURCE: NIELSEN SCANNING SUPERMARKETS

DISCOUNT LEVEL ONE

LEVEL TWO RESPONSE

- **MARKETS/GEOGRAPHIES**

- Omaha, Kansas City, St. Louis, Memphis, Tulsa, Oklahoma City, Lake Charles, Denver
 - 9.1% Industry Contribution

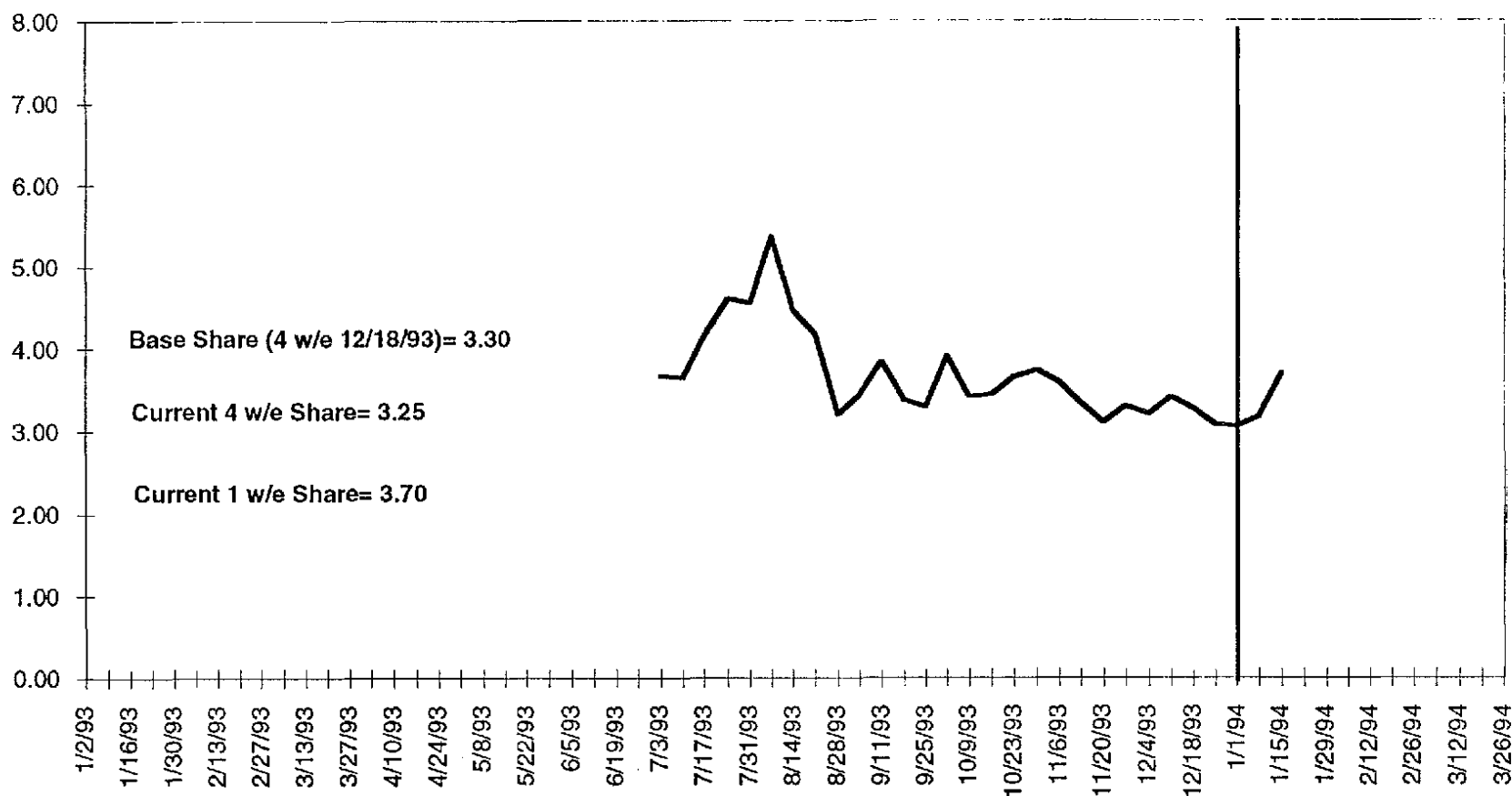
- **PROBLEM: Basic perceived small relative to GPC**

- **PROGRAM**

- Buy down to within 10¢
- Free standing display with payment for three months
- Incentive heavy up

BASIC MARKET SHARE LEVEL 2 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL TWO MARKETS: OMAHA, KANSAS CITY, ST. LOUIS, MEMPHIS, OKLAHOMA CITY/TULSA, LAKE CHARLES AND DENVER

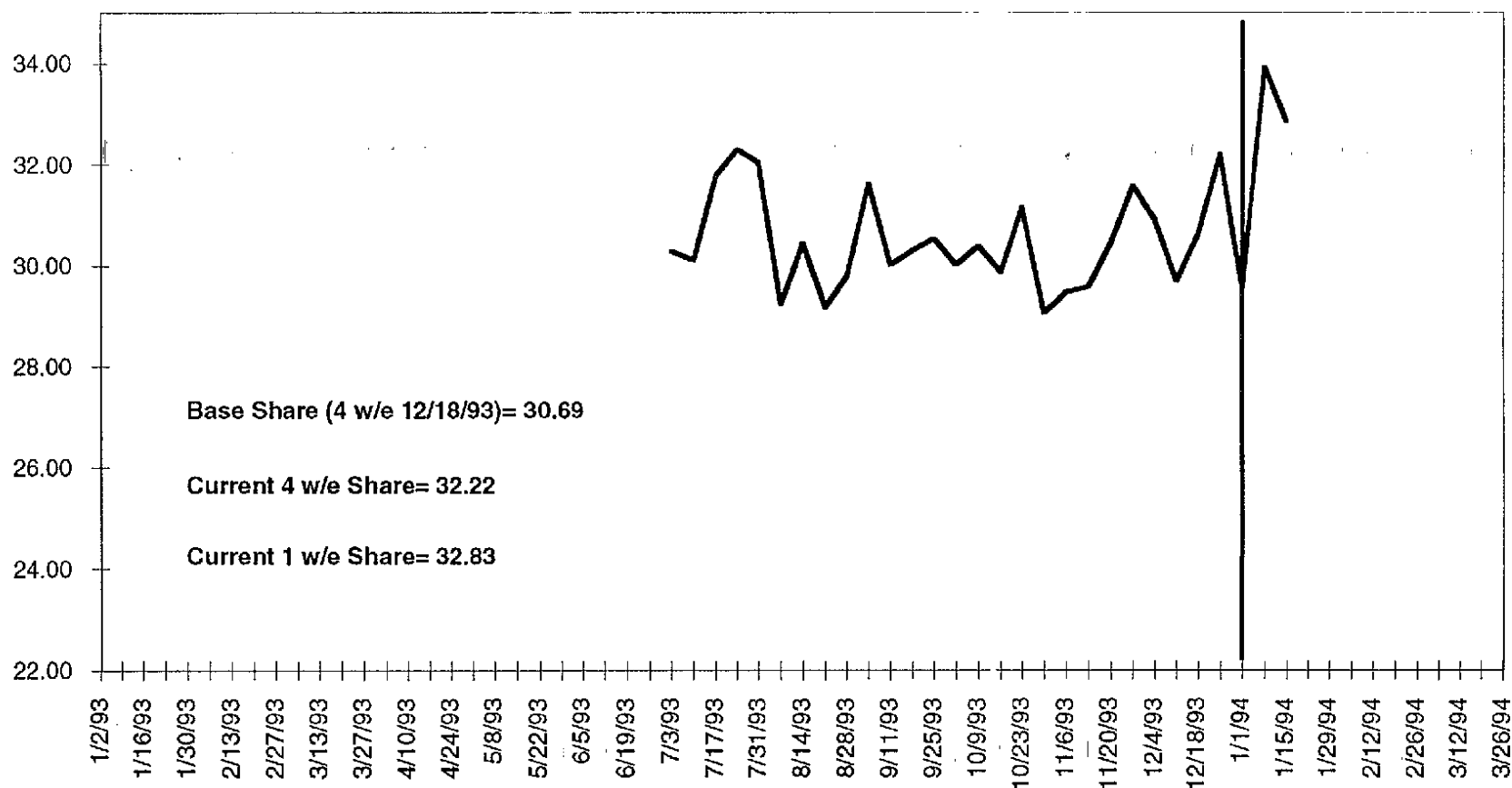
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SOURCE: NIELSEN WEEKLY C-STORE

BASIC LEVEL 2

MARLBORO MARKET SHARE LEVEL 2 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL TWO MARKETS: OMAHA, KANSAS CITY, ST. LOUIS, MEMPHIS, OKLAHOMA CITY/TULSA, LAKE CHARLES AND DENVER

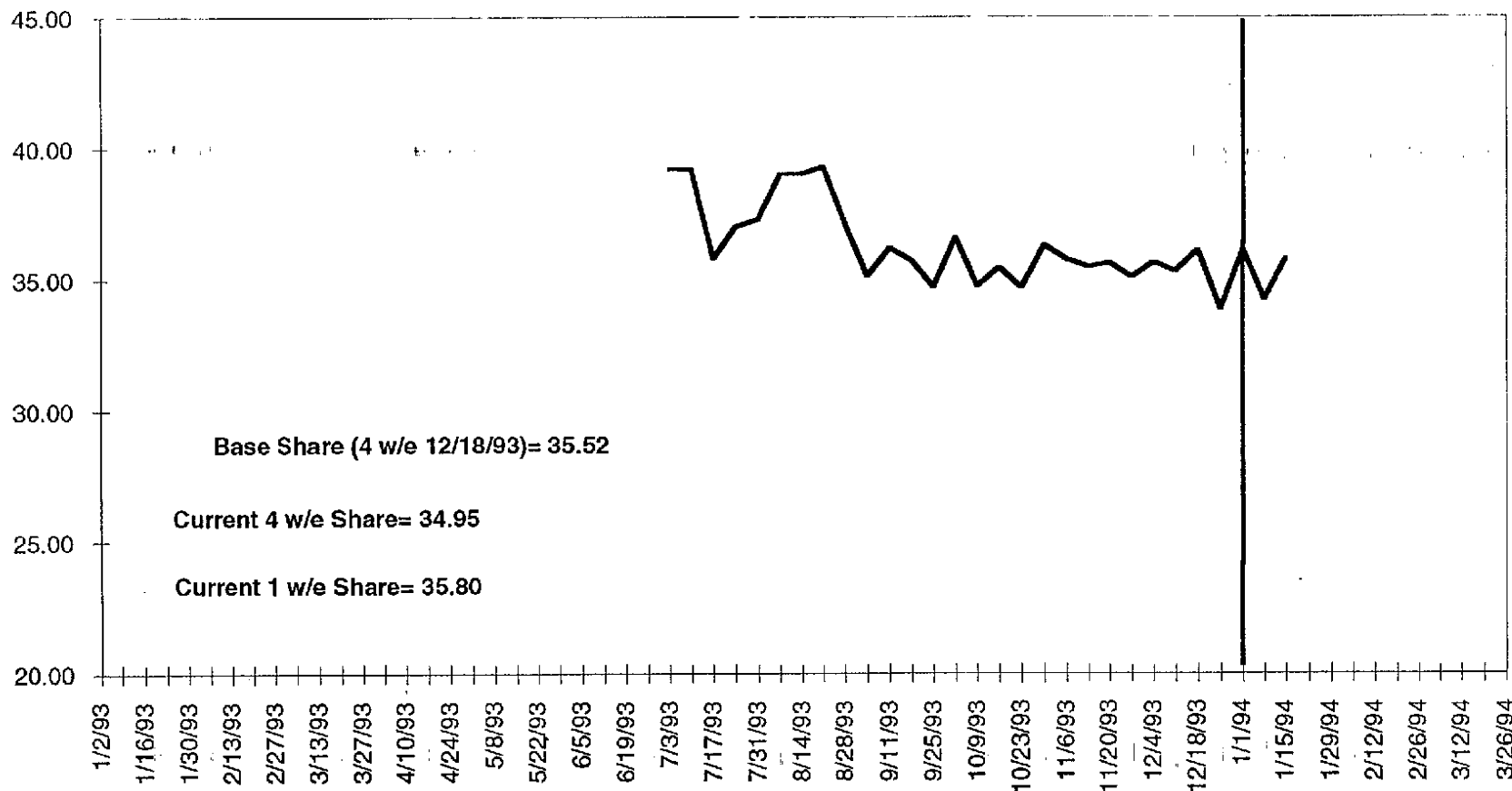
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SOURCE: NIELSEN WEEKLY C-STORE

MARLBORO LEVEL 2

TOTAL DISCOUNT MARKET SHARE LEVEL 2 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL TWO MARKETS: OMAHA, KANSAS CITY, ST. LOUIS, MEMPHIS, OKLAHOMA CITY/TULSA, LAKE CHARLES AND DENVER

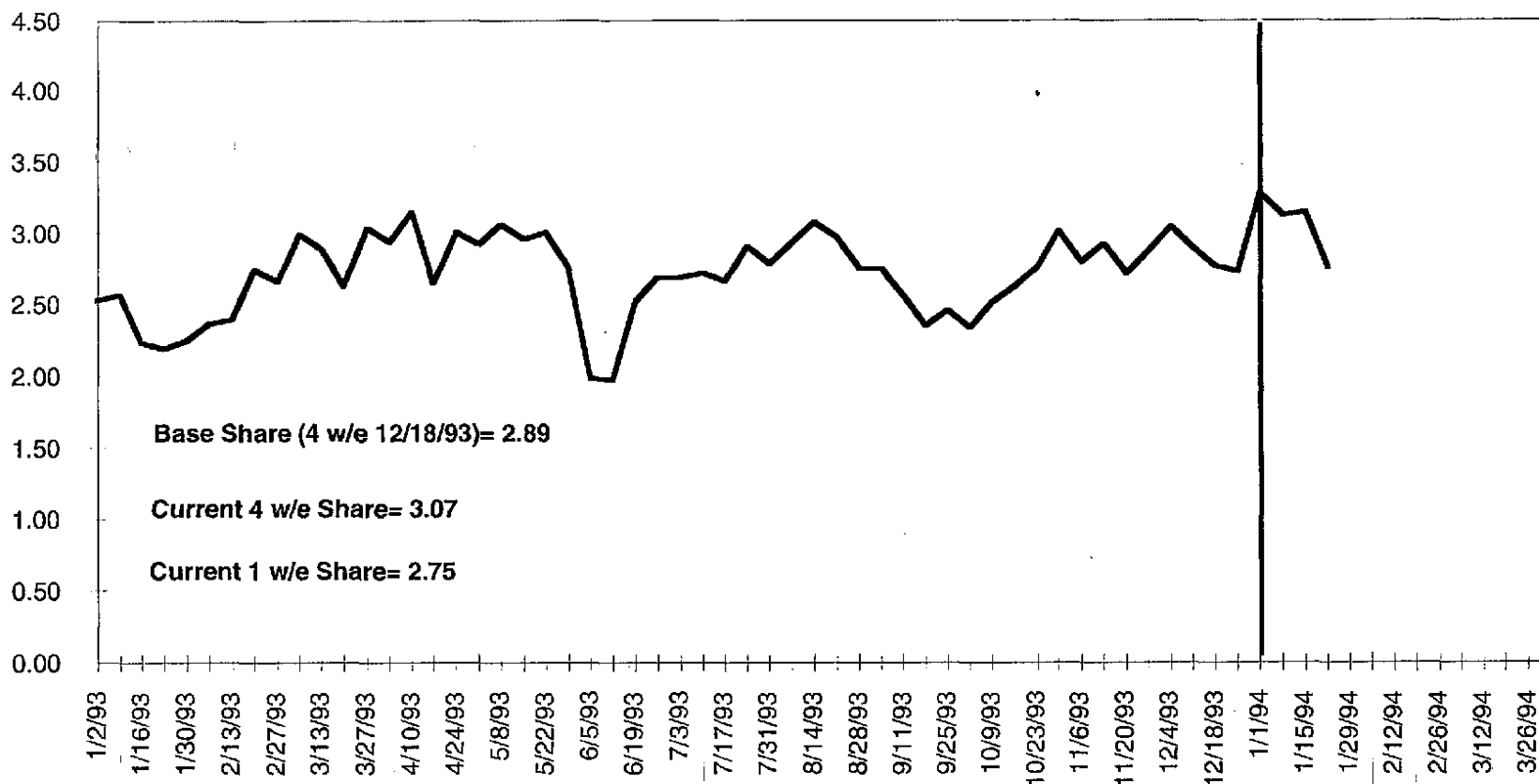
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SOURCE: NIELSEN WEEKLY C-STORE

DISCOUNT LEVEL 2

BASIC MARKET SHARE--SUPERMARKETS LEVEL 2 MARKETS

1 WK SHARE



LEVEL TWO MARKETS: OMAHA, KANSAS CITY, ST. LOUIS, MEMPHIS, OKLAHOMA CITY, TULSA, AND DENVER
SCANNING DATA NOT AVAILABLE FOR LAKE CHARLES

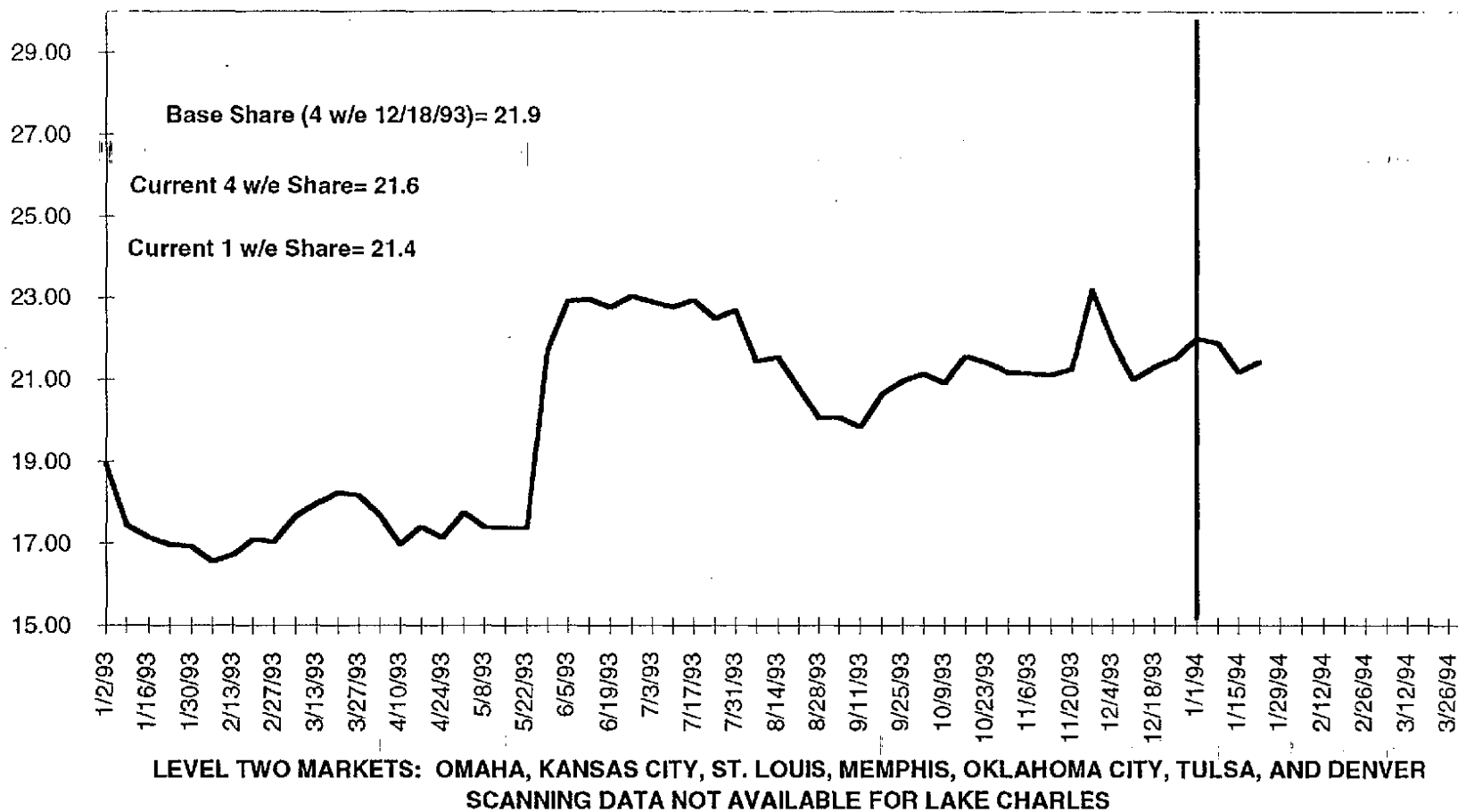
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SOURCE: NIELSEN SCANNING SUPERMARKETS

BASIC LEVEL TWO

MARLBORO MARKET SHARE--SUPERMARKETS LEVEL 2 MARKETS

1 WK SHARE



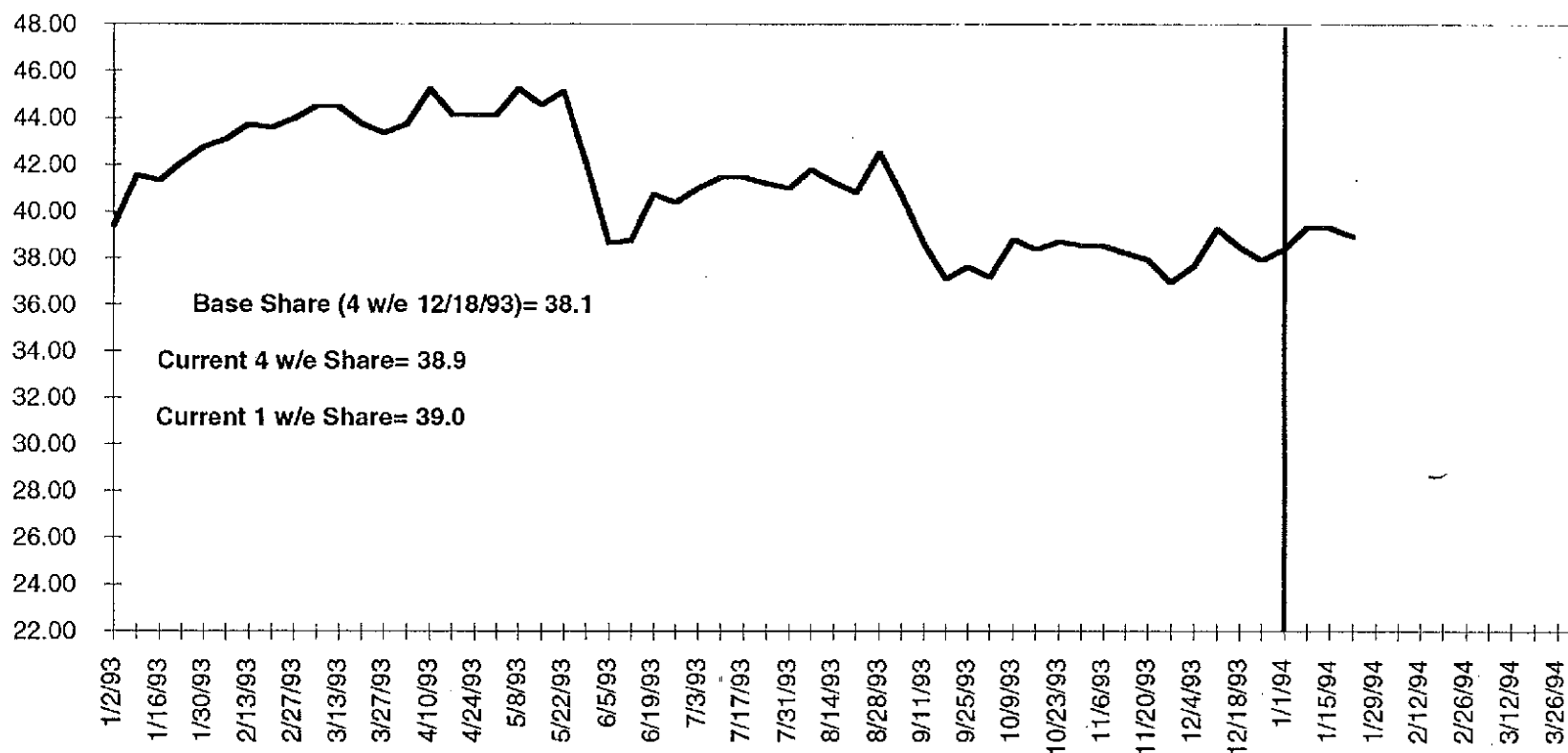
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SOURCE: NIELSEN SCANNING SUPERMARKETS

MARLBORO LEVEL TWO

DISCOUNT CATEGORY MARKET SHARE SUPERMARKETS LEVEL 2 MARKETS

1 WK SHARE



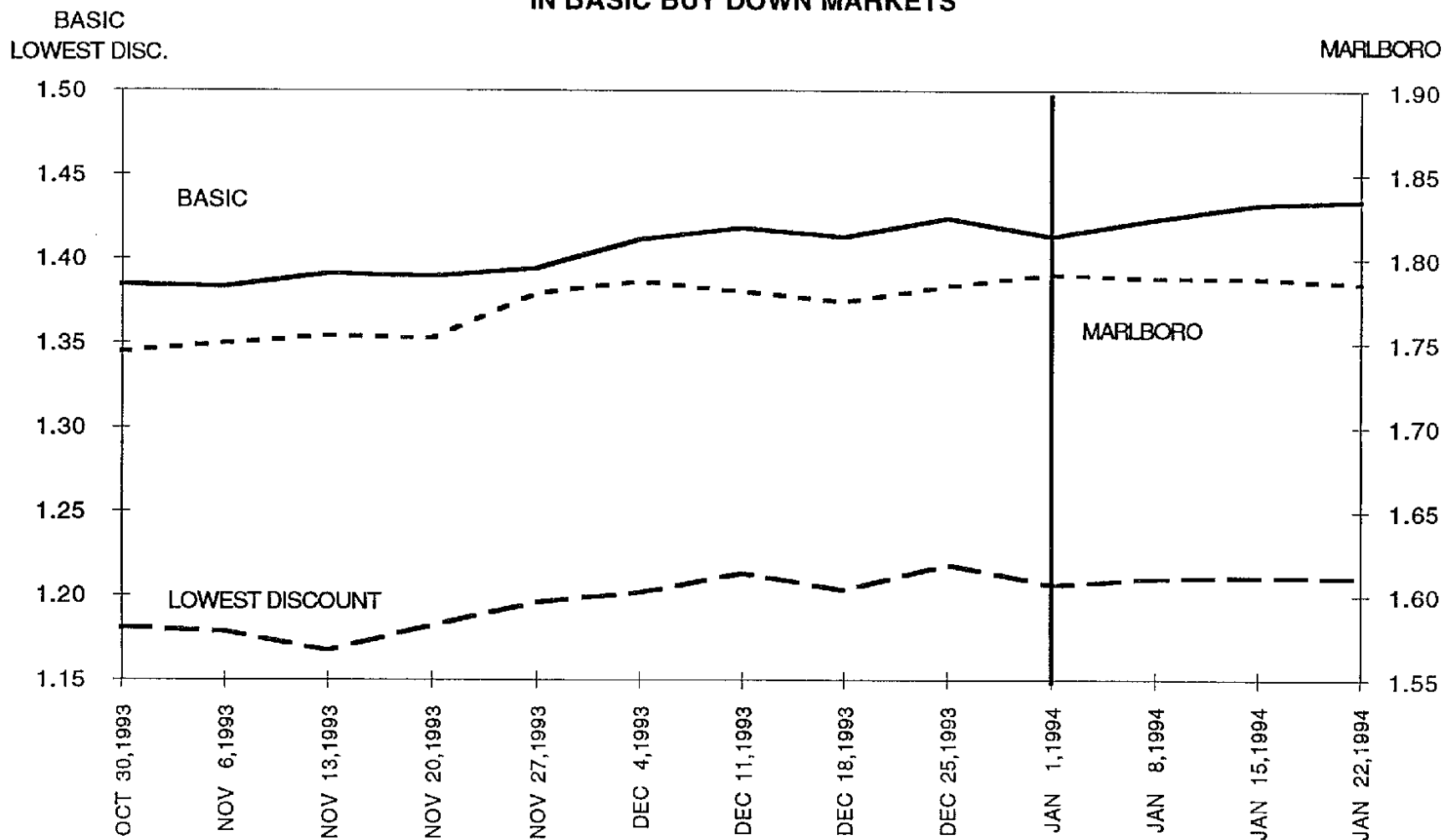
LEVEL TWO MARKETS: OMAHA, KANSAS CITY, ST. LOUIS, MEMPHIS, OKLAHOMA CITY, TULSA, AND DENVER
SCANNING DATA NOT AVAILABLE FOR LAKE CHARLES

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SOURCE: NIELSEN SCANNING SUPERMARKETS

DISCOUNT LEVEL TWO

AVGERAGE C-STORE PACK PRICES IN BASIC BUY DOWN MARKETS



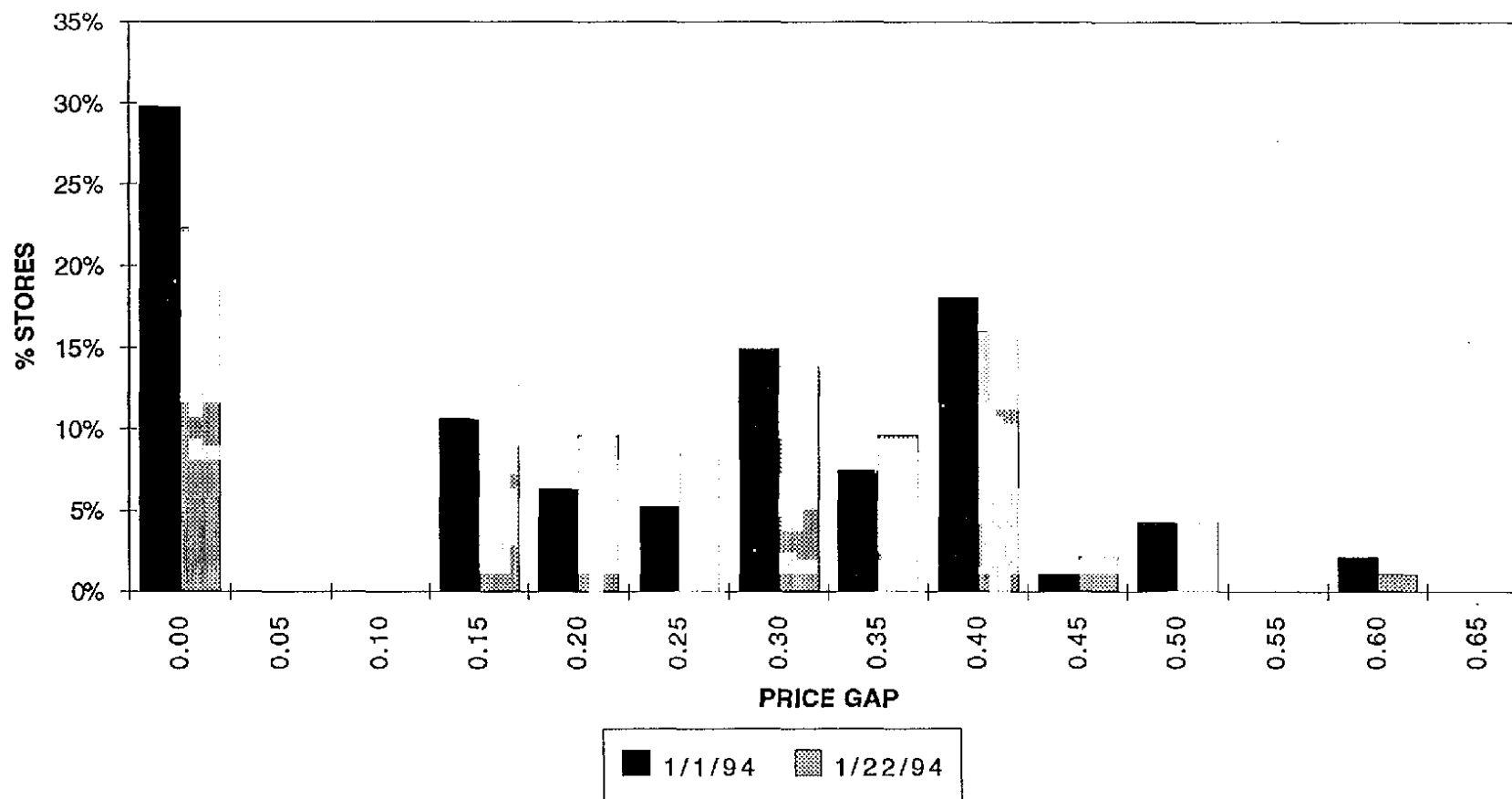
NOTE: LEVEL 2 AND 3 MARKETS AGGREGATED INTO NIELSEN SECTIONS.

SOURCE: NIELSEN PRICING AUDIT

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basic buydown prices 1/29 Chart 1

**BASIC VS. LOWEST DISCOUNT PRICE GAP
IN BASIC BUY DOWN MARKETS
C-STORE PACKS**



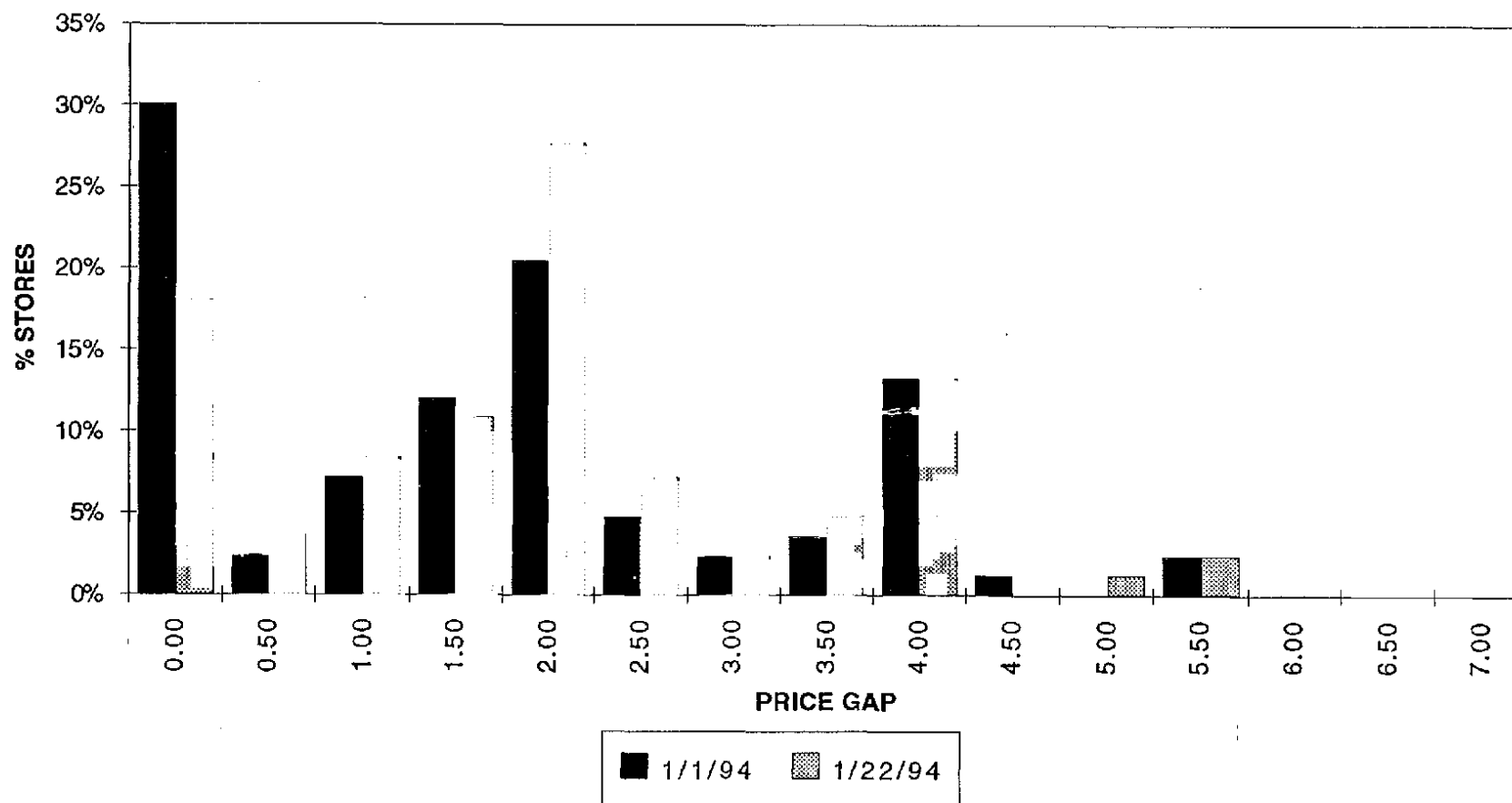
NOTE: LEVEL 2 AND 3 MARKETS AGGREGATED INTO NIELSEN SECTIONS.

SOURCE: NIELSEN PRICING AUDIT

2073379226

basic buydown freq dist 1/22 Chart 1

**BASIC VS. LOWEST DISCOUNT PRICE GAP
IN BASIC BUY DOWN MARKETS
SUPERMARKET CARTONS**



NOTE: LEVEL 2 AND 3 MARKETS AGGREGATED INTO NIELSEN SECTIONS.

SOURCE: NIELSEN PRICING AUDIT

2073379227

basic buydown freq dist 1/22 Chart 2

LEVEL THREE RESPONSE

- **MARKETS/GEOGRAPHIES**

- Pittsburgh, Louisville, Lexington, Paducah, Springfield, Richmond
 - 6.9% Industry Contribution

- **PROBLEM:**

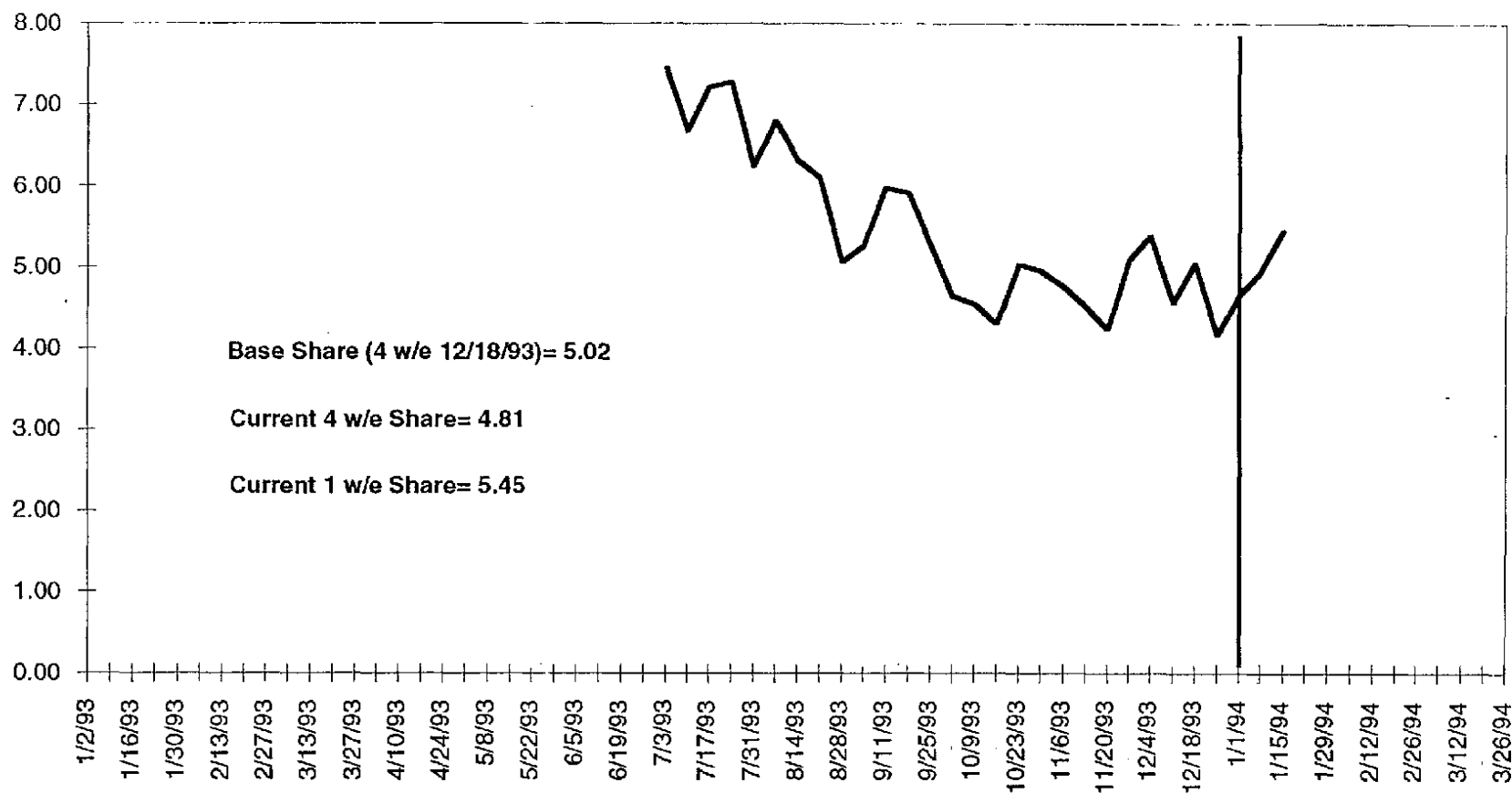
- Basic erosion to RJR pricing
- GPC size

- **PROGRAM**

- Buy down to within a dime

BASIC MARKET SHARE LEVEL 3 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL THREE MARKETS: PITTSBURGH, LOUISVILLE, LEXINGTON, PADUCAH AND RICHMOND

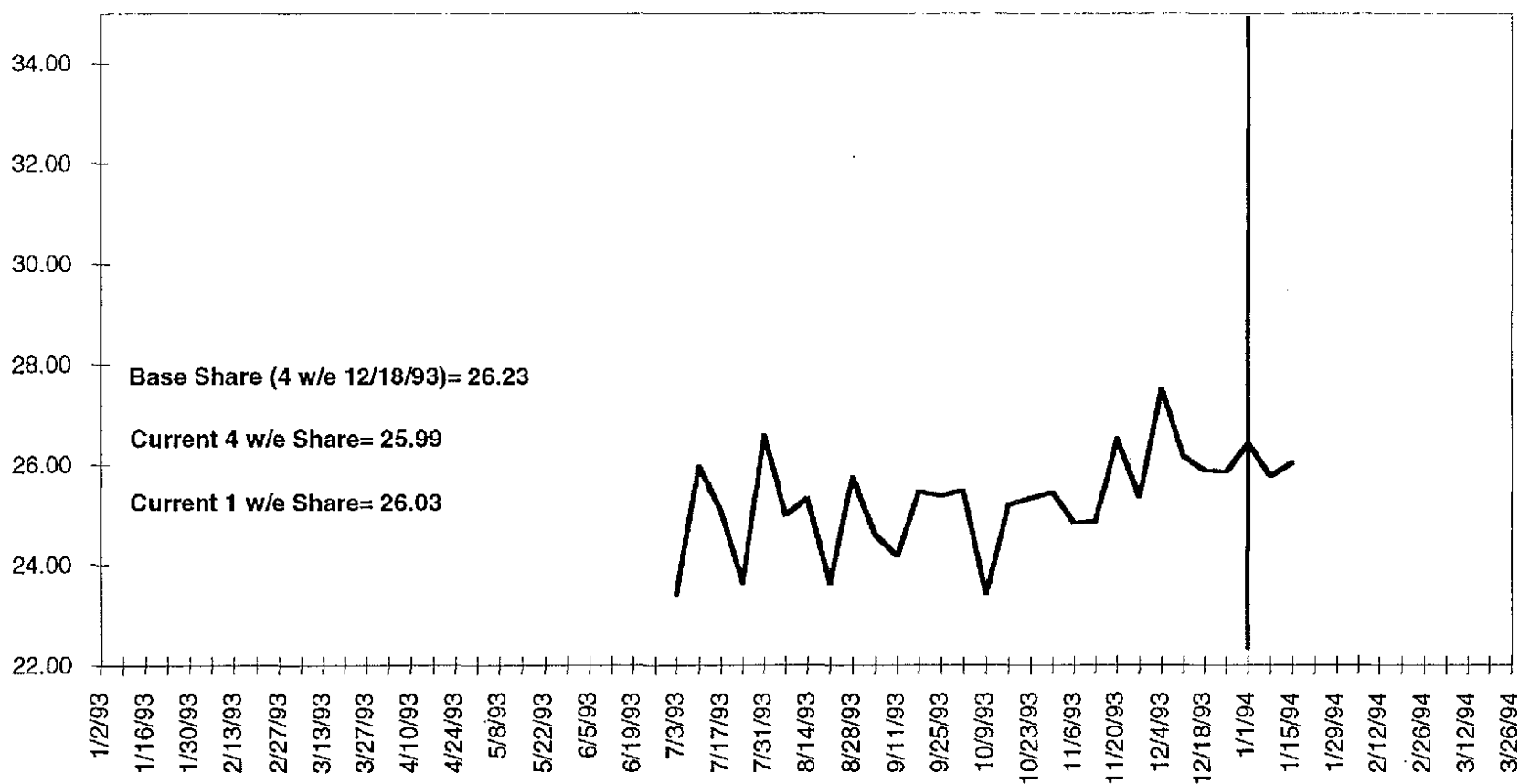
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SOURCE: NIELSEN WEEKLY C-STORE

BASIC LEVEL 3

MARLBORO MARKET SHARE LEVEL 3 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL THREE MARKETS: PITTSBURGH, LOUISVILLE, LEXINGTON, PADUCAH AND RICHMOND

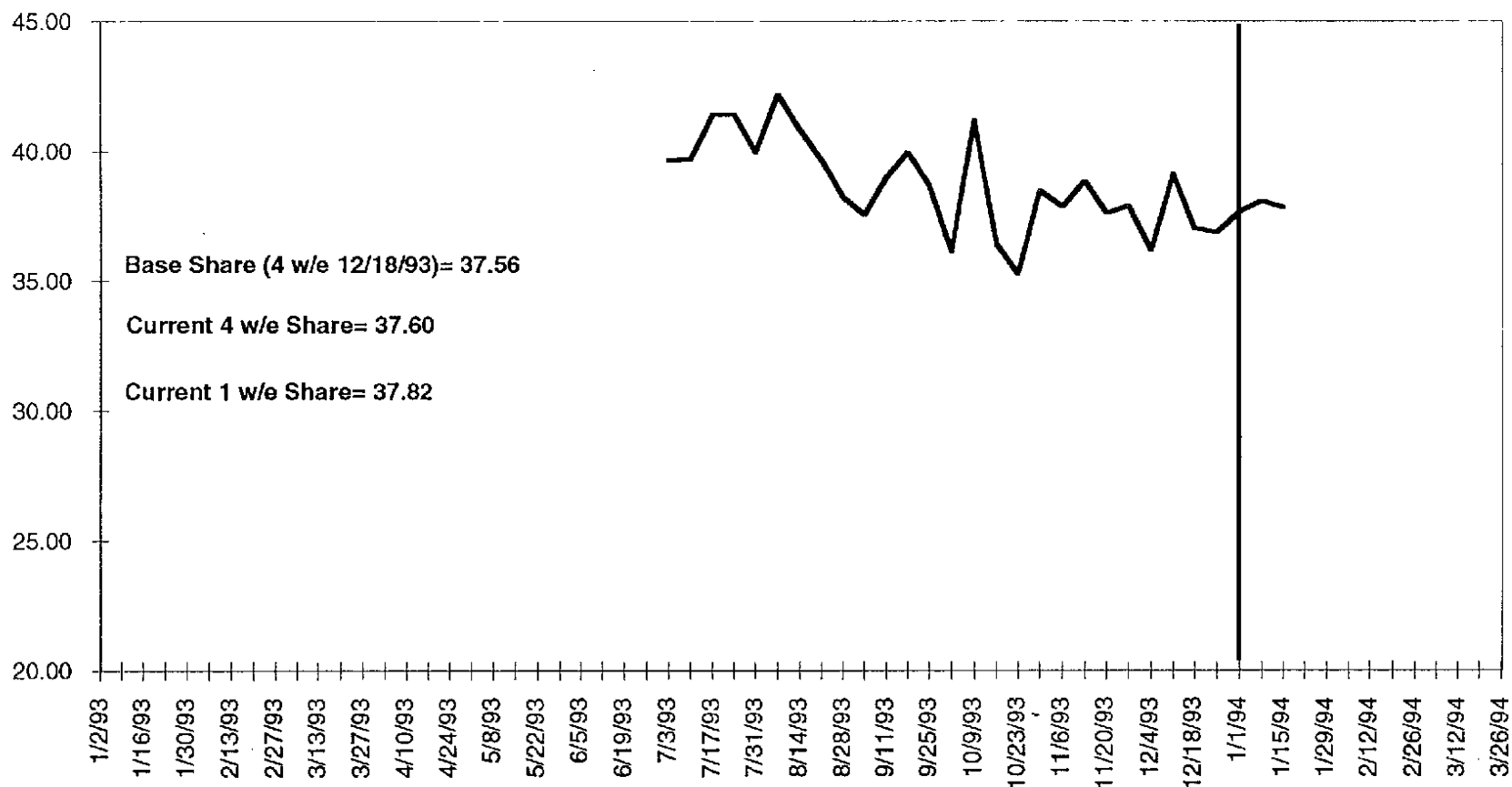
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SOURCE: NIELSEN WEEKLY C-STORE

MARLBORO LEVEL 3

TOTAL DISCOUNT MARKET SHARE LEVEL 3 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL THREE MARKETS: PITTSBURGH, LOUISVILLE, LEXINGTON, PADUCAH AND RICHMOND

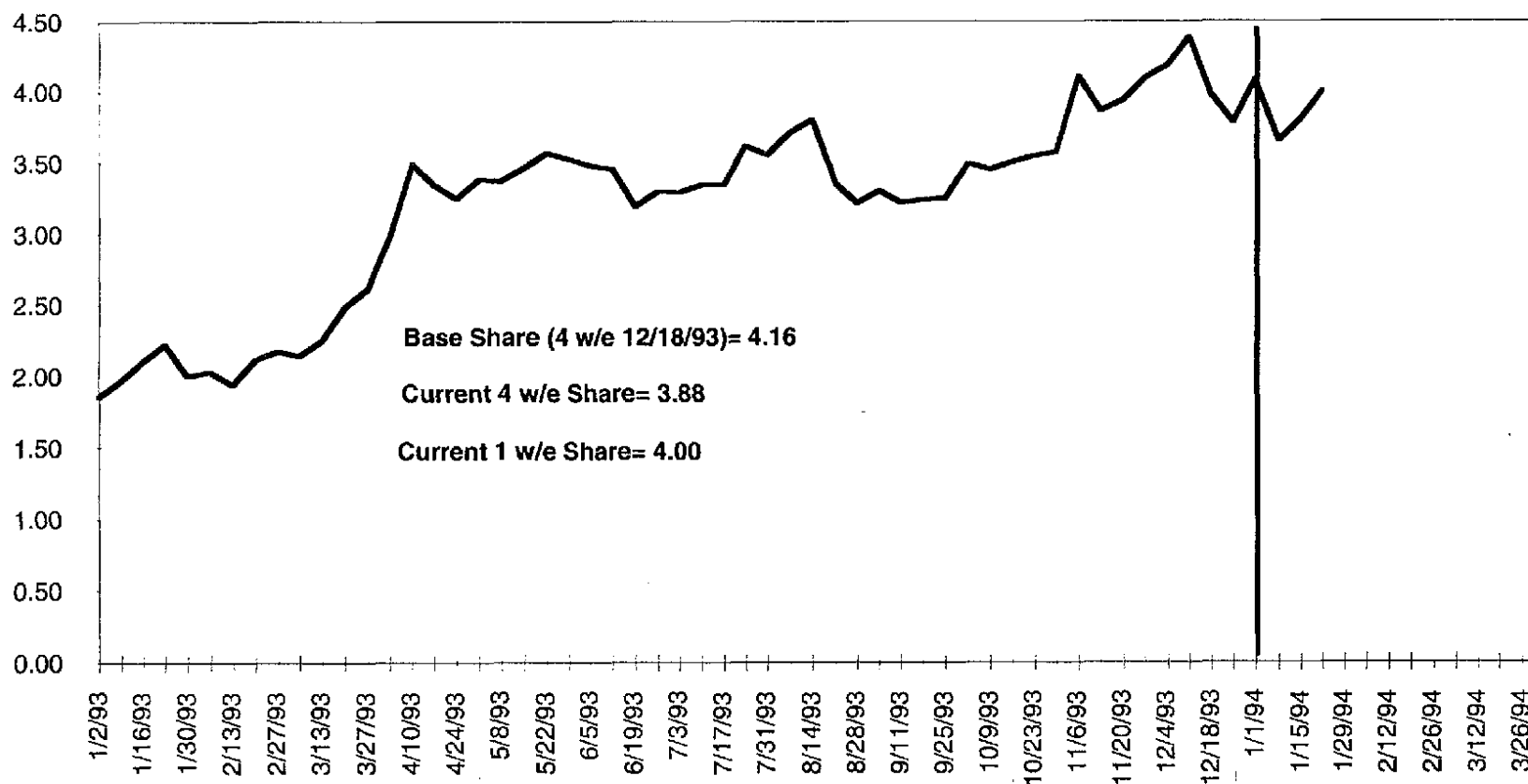
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SOURCE: NIELSEN WEEKLY C-SRORE

DISCOUNT LEVEL 3

BASIC MARKET SHARE--SUPERMARKETS LEVEL 3 MARKETS

1 WK SHARE



LEVEL THREE MARKETS: PITTSBURGH, LOUISVILLE, RICHMOND, AND NORFOLK
SCANNING DATA NOT AVAILABLE FOR LEXINGTON, PADUCAH, AND SPRINGFIELD

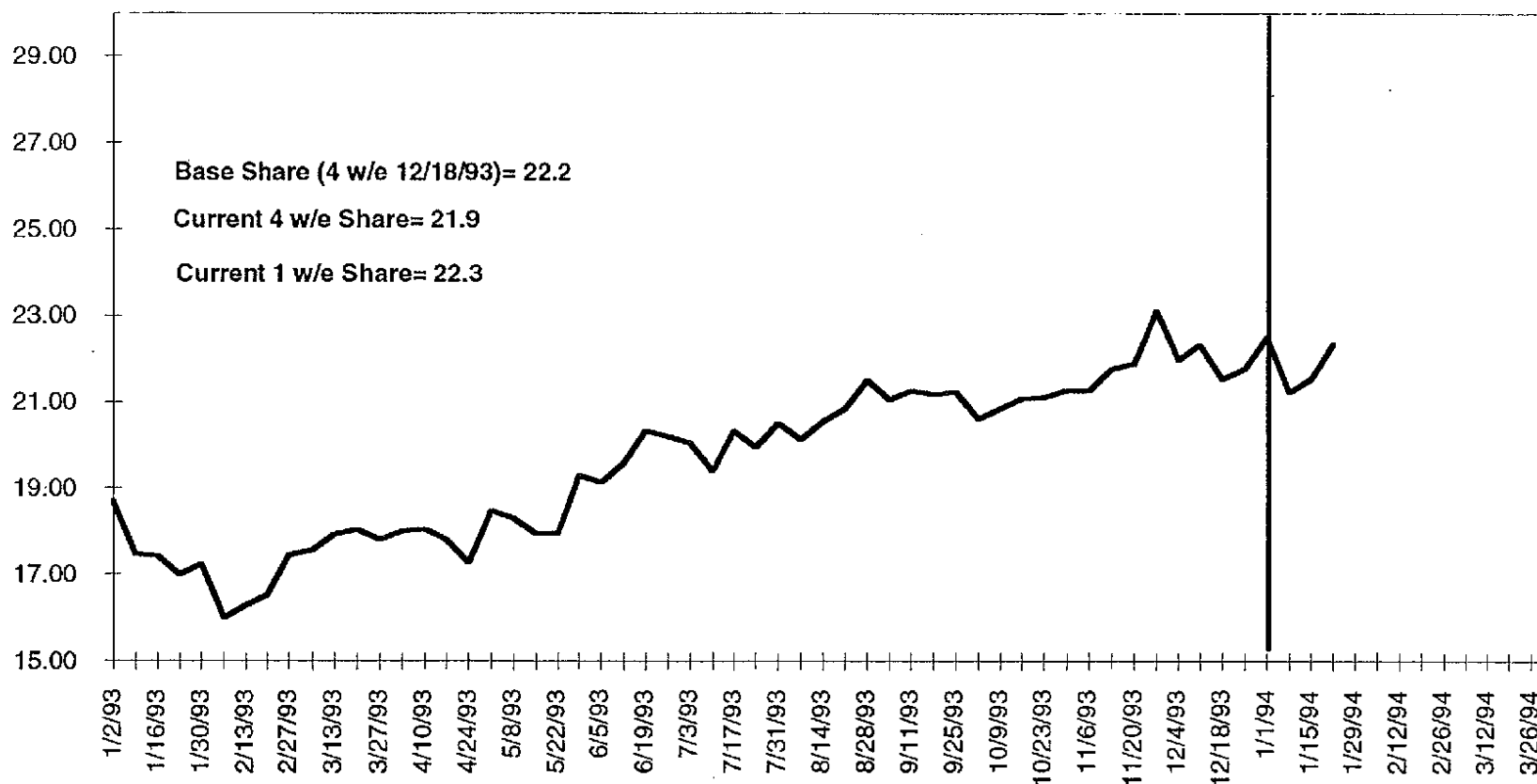
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SOURCE: NIELSEN SCANNING SUPERMARKETS

BASIC LEVEL THREE

MARLBORO MARKET SHARE--SUPERMARKETS LEVEL 3 MARKETS

1 WK SHARE



LEVEL THREE MARKETS: PITTSBURGH, LOUISVILLE, RICHMOND AND NORFOLK
SCANNING DATA NOT AVAILABLE FOR LEXINGTON, PADUCAH, AND SPRINGFIELD

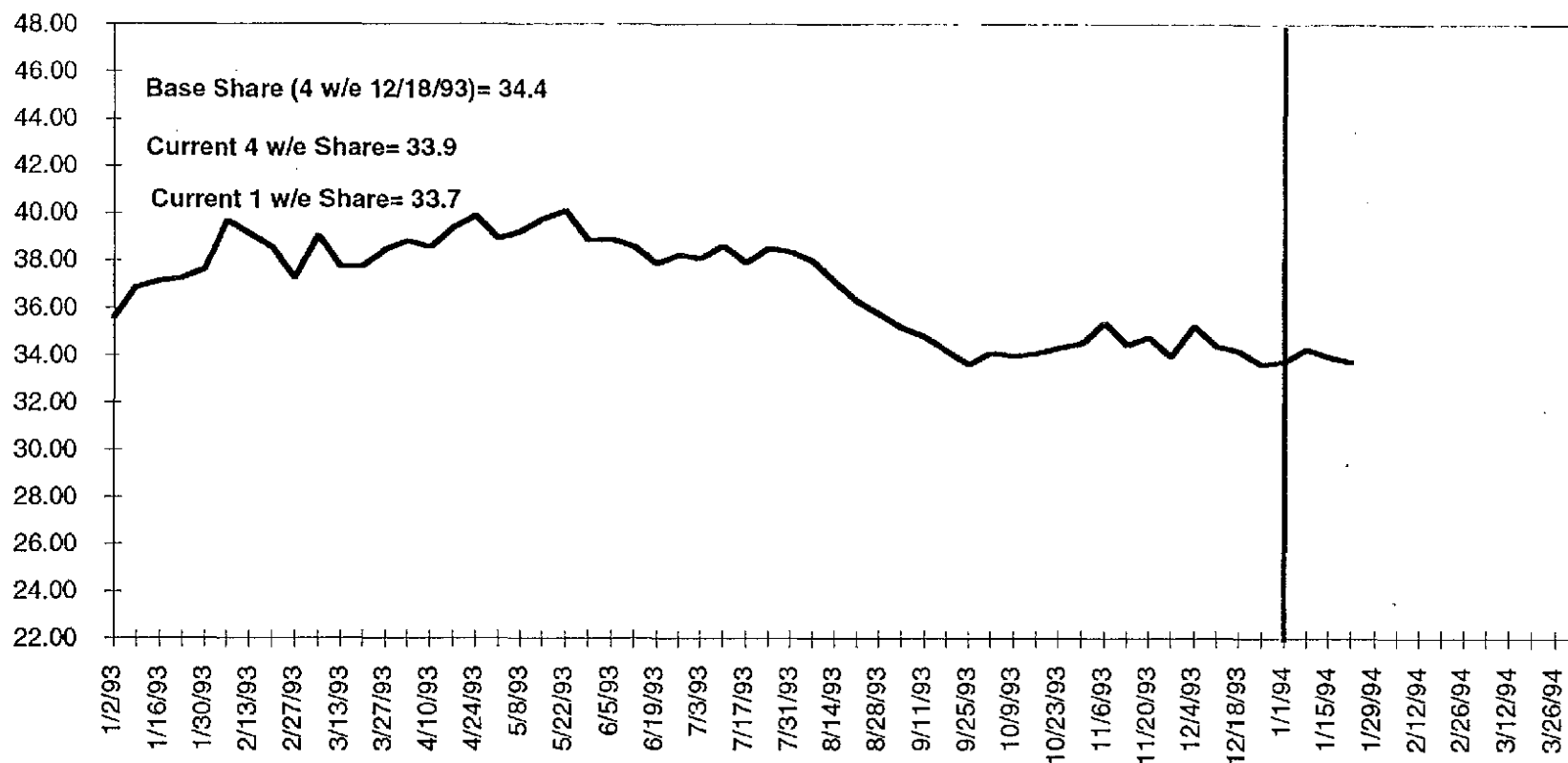
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SOURCE: NIELSEN SCANNING SUPERMARKETS

MARLBORO LEVEL THREE

DISCOUNT CATEGORY MARKET SHARE SUPERMARKETS LEVEL 3 MARKETS

1 WK SHARE



LEVEL THREE MARKETS: PITTSBURGH, LOUISVILLE, RICHMOND, AND NORFOLK
SCANNING DATA NOT AVAILABLE FOR LEXINGTON, PADUCAH, AND SPRINGFIELD

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SOURCE: NIELSEN SCANNING SUPERMARKETS

DISCOUNT LEVEL THREE

LEVEL FOUR RESPONSE

- **MARKETS/GEOGRAPHIES**

- Albany, Syracuse, Buffalo, Harrisburg, Philadelphia, Jacksonville, Tampa, Miami, Orlando, Green Bay, Dallas

- **PROBLEM:**

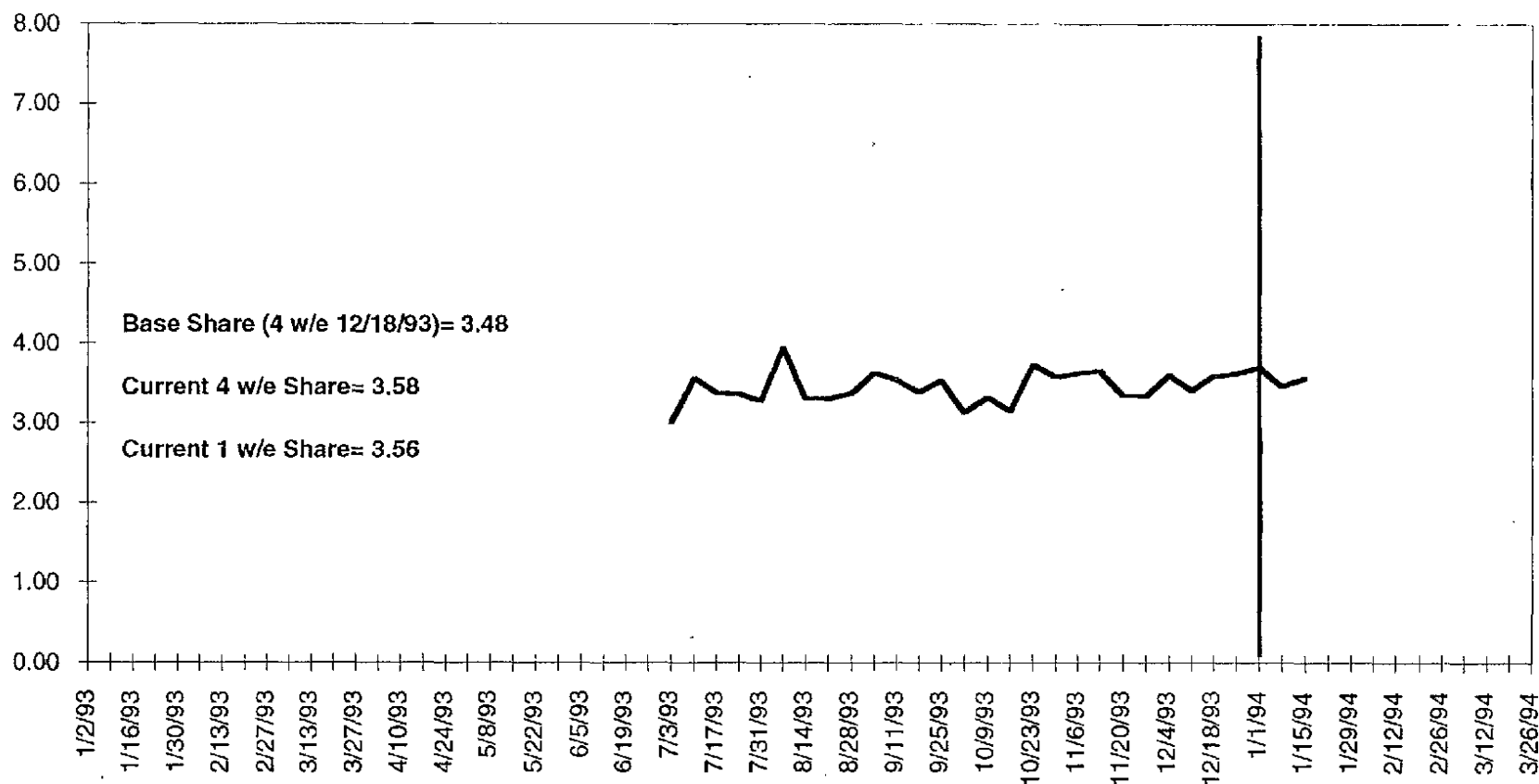
- Basic underdeveloped
- Either no culprit or PM P/L

- **PROGRAM**

- FSI's (Bi-Weekly for 2 months)
- Retail masters designated display, (#1 Display positioned in retail masters)

BASIC MARKET SHARE LEVEL 4 MARKETS CONVENIENCE

1 WK SHARE



LEVEL FOUR MARKETS: ALBANY, SYRACUSE, BUFFALO, HARRISBURG, PHILADELPHIA, JACKSONVILLE, TAMPA BAY, MIAMI,
ORLANDO, GREEN BAY AND DALLAS

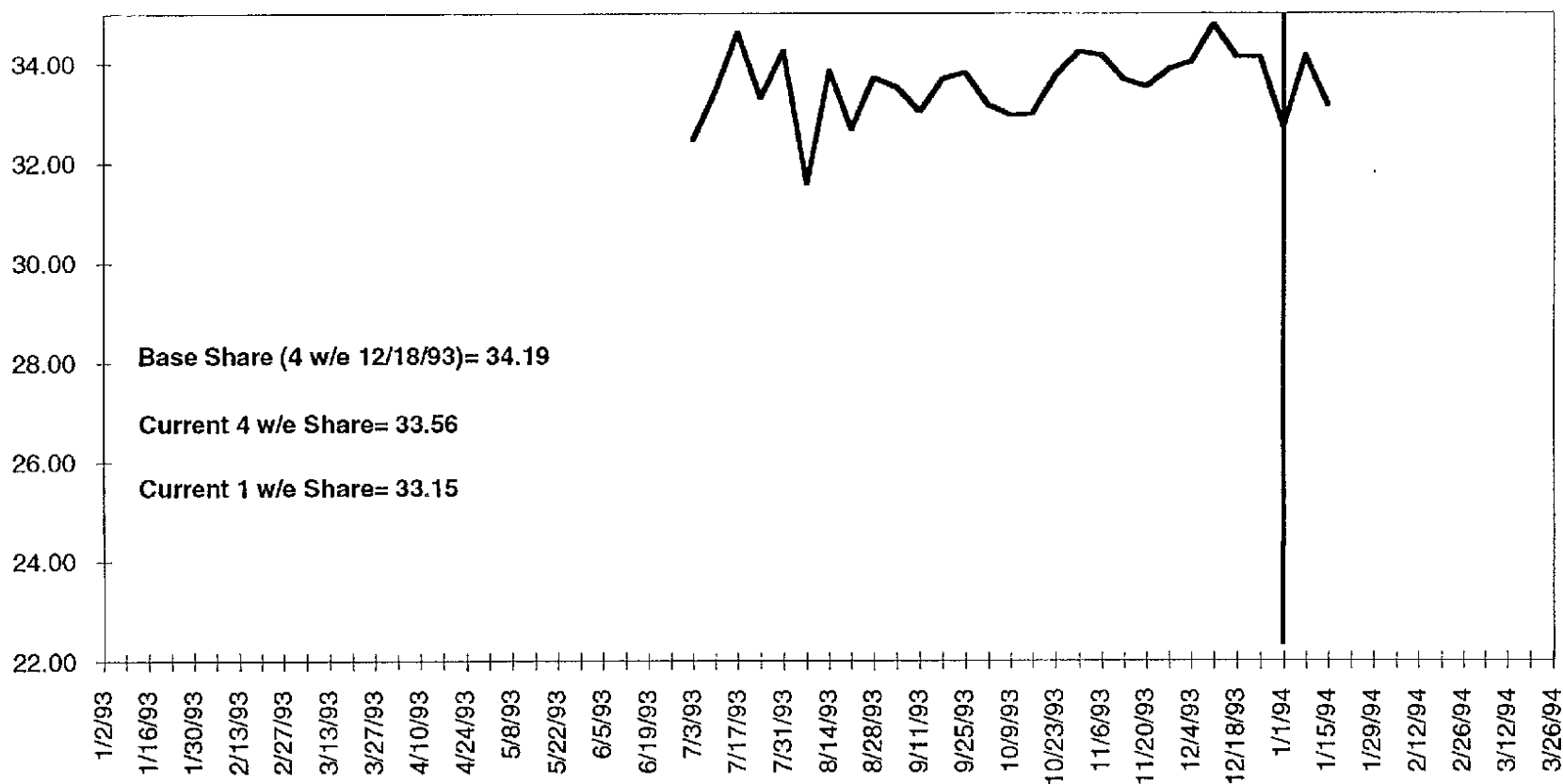
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SOURCE: NIELSEN WEEKLY C-STORE

BASIC LEVEL 4

MARLBORO MARKET SHARE LEVEL 4 MARKETS - CONVENIENCE

1 WK SHARE



LEVEL FOUR MARKETS: ALBANY, SYRACUSE, BUFFALO, HARRISBURG, PHILADELPHIA, JACKSONVILLE, TAMPA BAY, MIAMI,
ORLANDO, GREEN BAY AND DALLAS

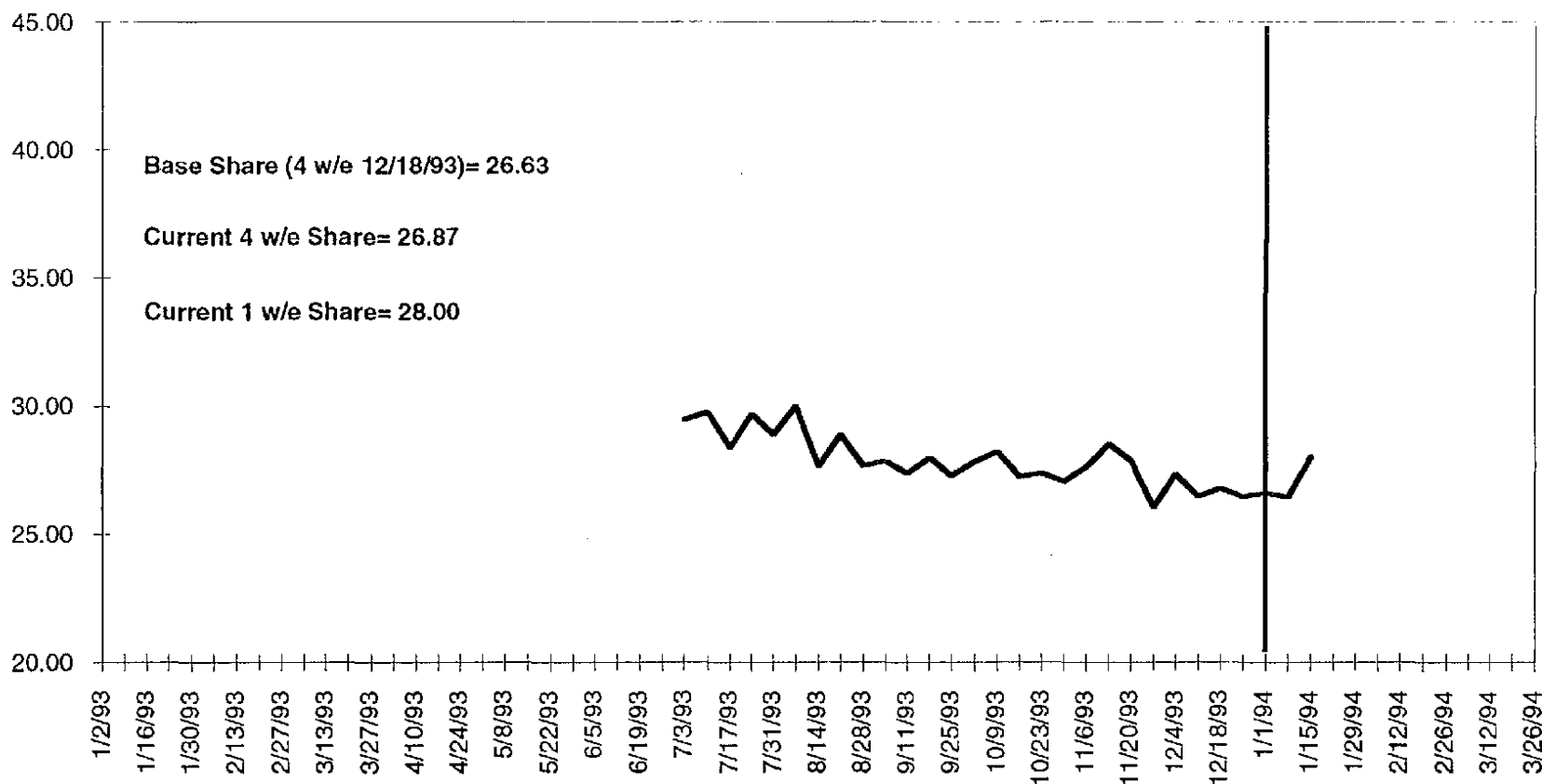
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SOURCE: NIELSEN WEEKLY C-STORE

MARLBORO LEVEL 4

TOTAL DISCOUNT MARKET SHARE LEVEL 4 MARKETS CONVENIENCE

1 WK SHARE



LEVEL FOUR MARKETS: ALBANY, SYRACUSE, BUFFALO, HARRISBURG, PHILADELPHIA, JACKSONVILLE, TAMPA BAY, MIAMI, ORLANDO, GREEN BAY AND DALLAS

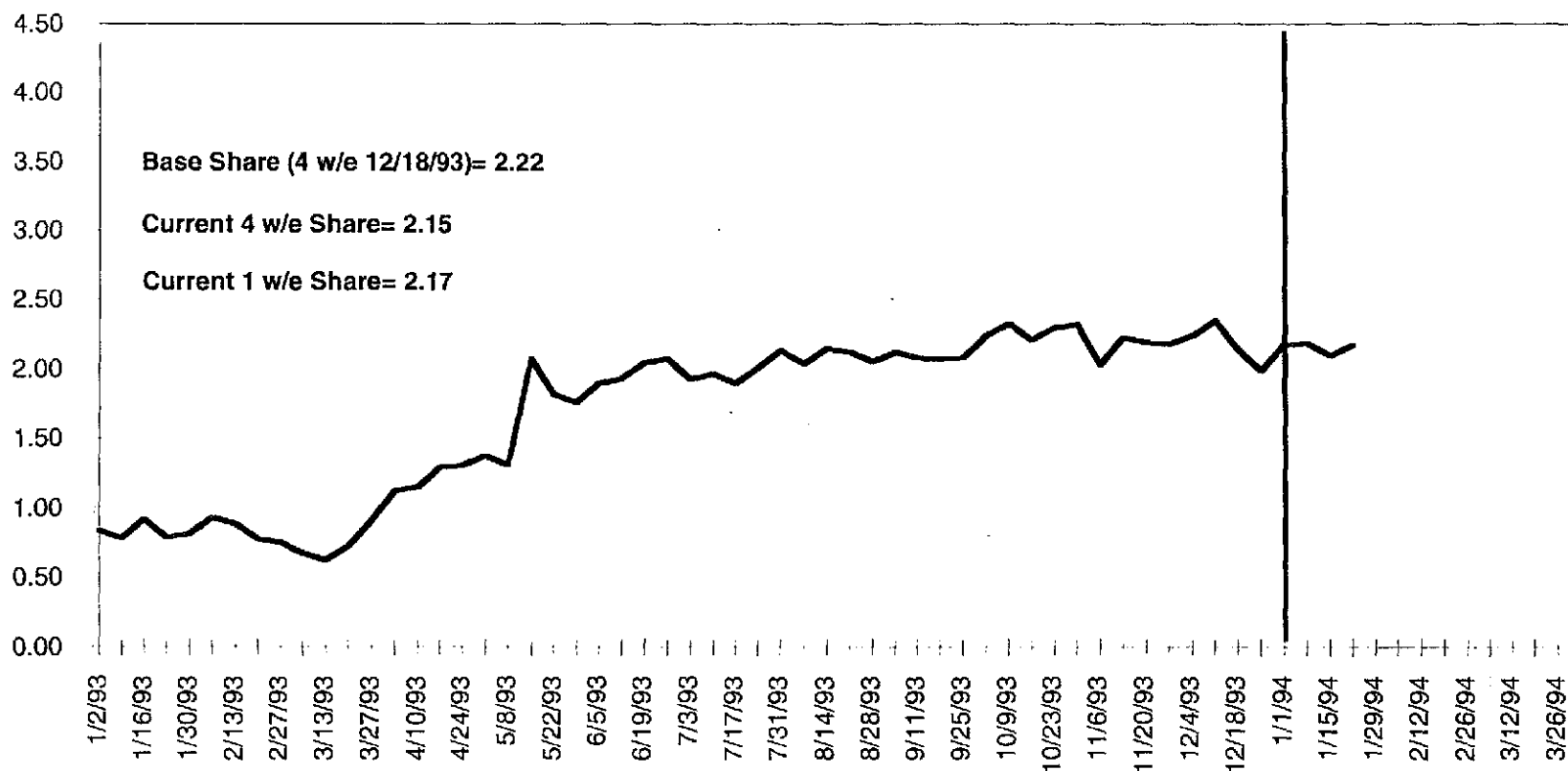
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SOURCE: NIELSEN WEEKLY C-STORE

DISCOUNT LEVEL 4

BASIC MARKET SHARE--SUPERMARKETS LEVEL 4 MARKETS

1 WK SHARE



LEVEL FOUR MARKETS: ALBANY, SYRACUSE, BUFFALO, ROCHESTER, PHILADELPHIA, JACKSONVILLE, TAMPA, ORLANDO,
AND DALLAS

SCANNING DATA IS NOT AVAILABLE FOR HARRISBURG, MIAMI, AND GREEN BAY

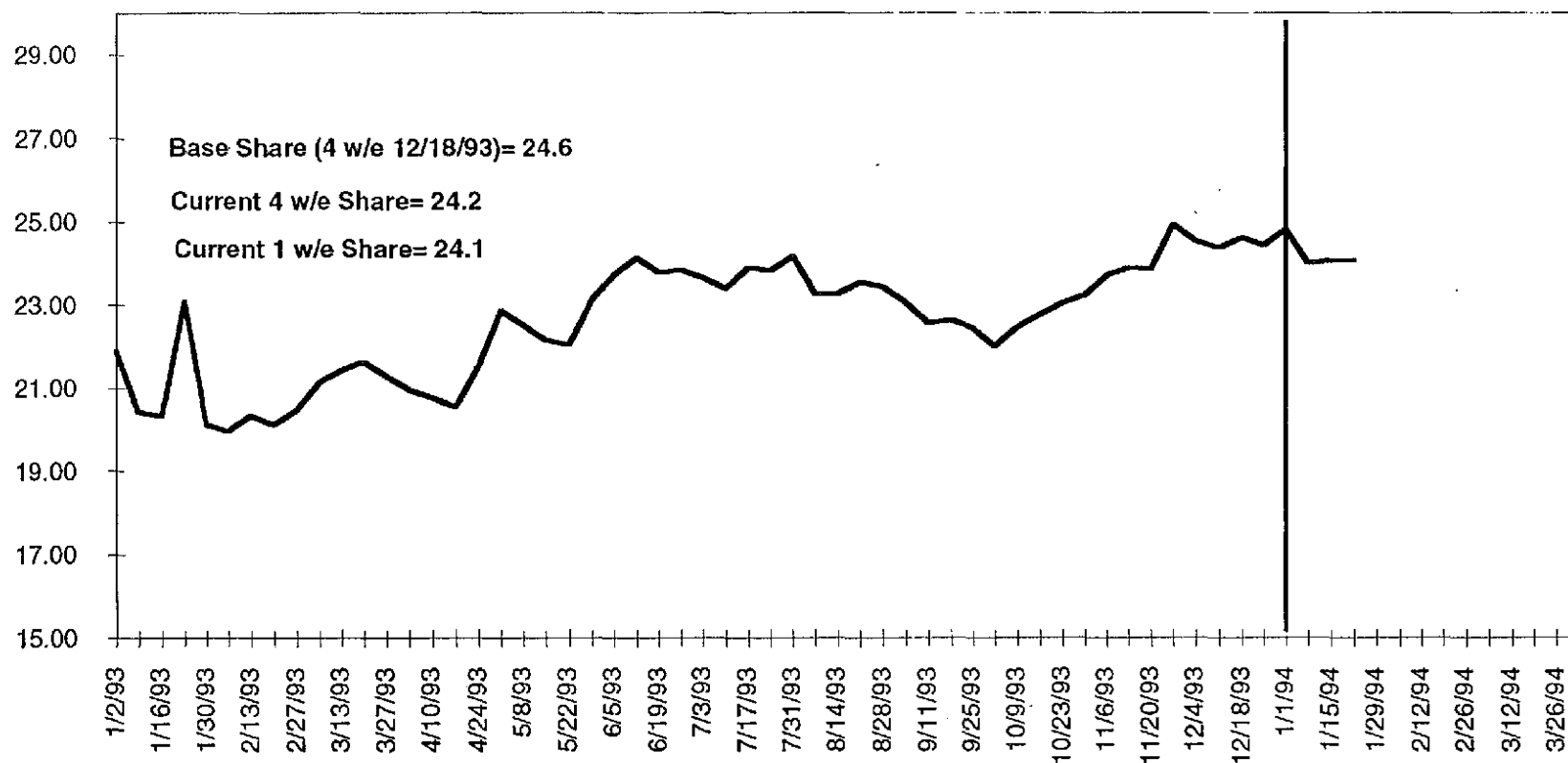
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SOURCE: NIELSEN SCANNING SUPERMARKETS

BASIC LEVEL FOUR

MARLBORO MARKET SHARE--SUPERMARKETS LEVEL 4 MARKETS

1 WK SHARE



LEVEL FOUR MARKETS: ALBANY, SYRACUSE, BUFFALO, ROCHESTER, PHILADELPHIA, JACKSONVILLE, TAMPA, ORLANDO,
AND DALLAS

SCANNING DATA NOT AVAILABLE FOR HARRISBURG, MIAMI, AND GREEN BAY

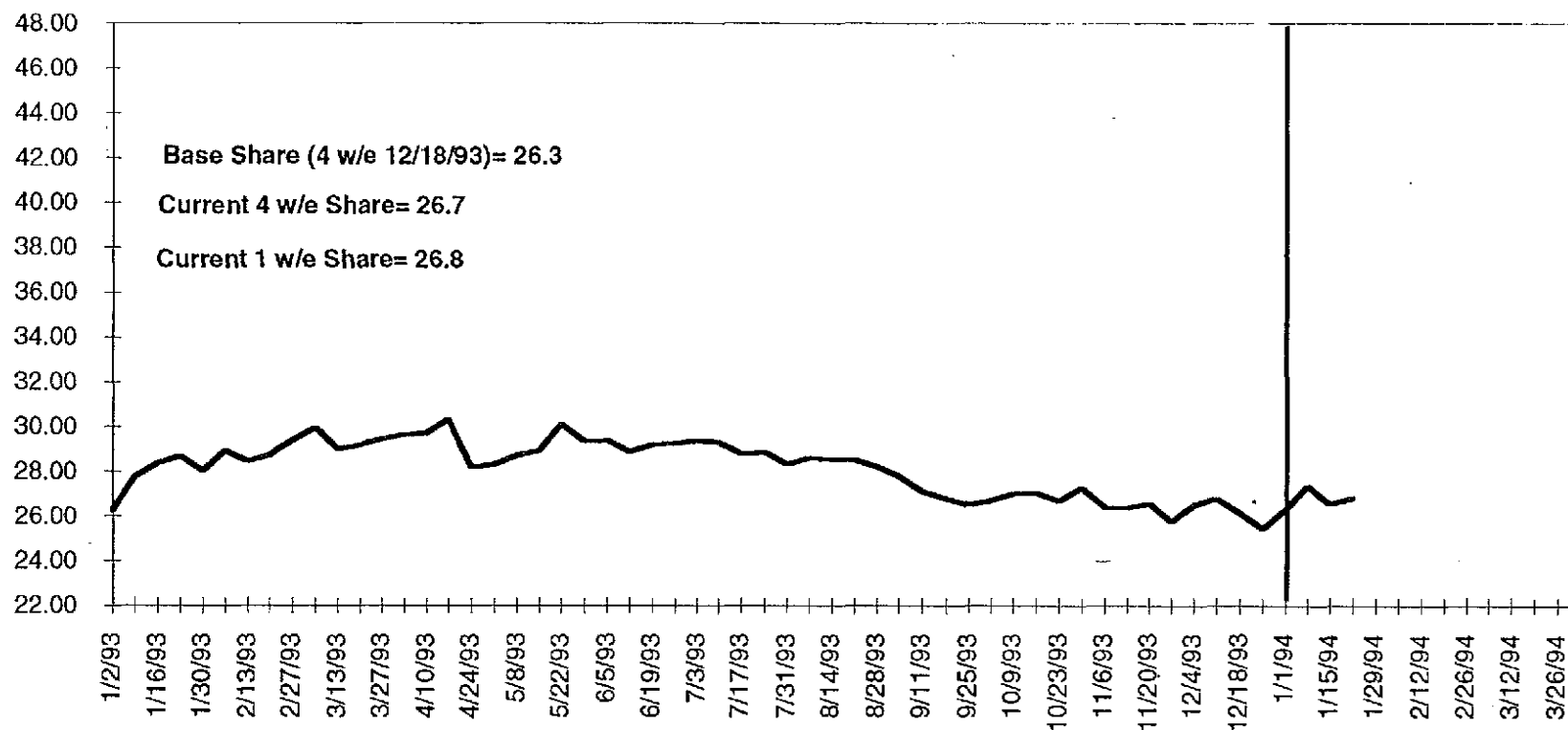
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SOURCE: NIELSEN SCANNING SUPERMARKETS

MARLBORO LEVEL FOUR

DISCOUNT CATEGORY MARKET SHARE SUPERMARKETS LEVEL 4 MARKETS

1 WK SHARE



LEVEL FOUR MARKETS: ALBANY, SYRACUSE, BUFFALO, ROCHESTER, PHILADELPHIA, JACKSONVILLE, TAMPA, ORLANDO,
AND DALLAS

SCANNING DATA NOT AVAILABLE FOR HARRISBURG, MIAMI, AND GREEN BAY

2073379241

SOURCE: NIELSEN SCANNING SUPERMARKETS

DISCOUNT LEVEL FOUR